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Business in Germany? Landesbanken Sparkassen

FINANCIAL TIMES

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LONGINES Olympic Timing 1980 Lake Placid Moscow

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NEWS SUMMARY

GENERAL Military coup in Bolivia Bolivian troops took over the presidential palace and key areas of the capital La Paz in a military coup against the provisional government of President Walter Guevara Arze. Colonel Alberto Natusch Busch, commander of the Bolivian Military College, led the revolt. His aim seems to be to re-instate a rule backed by General Hugo Banzer. It follows divisions between politicians and army factions over the role General Banzer's followers would play in Guevara's Cabinet. Page 4

BUSINESS Sterling falls; Tin up sharply STERLING lost ground. It closed at \$2.0720, a fall of 40 points on the day. Its trade-weighted index was unchanged at 66.9. Dollar's index was also unchanged at 86.9. GILTS eased on news of the Government's spending plans. The Government Securities Index closed 0.05 down at 69.31. EQUITIES also eased. The FT 30-share index closing 0.5 down at 436.7. TIN prices rose on the London Metal Exchange following a coup in Bolivia and news that

Jets to China Britain is prepared to sell Harrier jump jets and other defence equipment to China, Margaret Thatcher told the Chinese leader Chairman Hu Guofeng. Sales would be subject to consultation with Britain's allies. Back Page; Flight agreement, Page 6

Kurdish march Thousands of Kurds marched through the streets of Mahabad, the rebel-held Iranian town, in spite of a last-minute boycott of their anti-Government demonstration by the main Kurdish guerrilla organisation.

SWAPO killings Military chief of South West Africa (Namibia) Major-General Jan Geldenhuys said his forces killed 12 guerrillas of the SWAPO black nationalist movement in the past week. He would not comment on charges that his forces killed 20 people in a raid on Angola.

Aviation freedom New Civil Aviation Bill should provide much greater freedom from Government control for both British Airways and the Civil Aviation Authority. The Bill sweeps away guidelines on routes licensing activities. Back page

Jewish uprooted Israeli Government overrode protests from Jewish nationalist extremists and agreed to uproot a Jewish settlement from Eilon Morah, the heart of the Arab West Bank, as ordered by the supreme court. Page 3

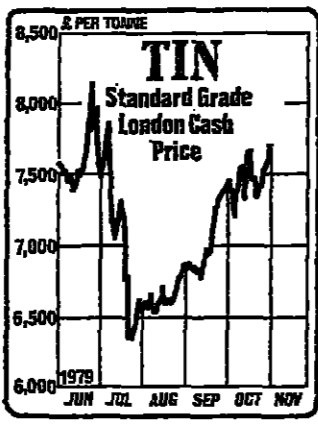
Definitive plans The Lancaster House Rhodesia talks reach a critical stage with Britain ready to table its definitive plans for an interim government. It will be offered to the Patriotic Front guerrilla alliance on a take-it-or-leave-it basis.

Presidential bid Senete Republican leader Howard Baker, a party moderate and leading opponent of the SALT II treaty, is to seek nomination for the U.S. Presidential election. Page 4

Dacko accusation President David Dacko of the Central African Republic accused opposition leader Ange Patasse of distributing arms in an attempt to topple his six-year Government. President Dacko said Mr. Patasse was "arming hooligans to sow trouble in the capital."

Briefly... Mamie Eisenhower, widow of President Eisenhower, died in a Washington hospital following a heart attack. She was 89. Death toll in the Western Airlines DC-10 crash at Mexico City airport has risen to 71. More American space fragments could come down over Australia. Pegasus II, a defunct satellite in orbit for 14 years, is expected to disintegrate this weekend. Rescue workers are still trying to reach 20 miners trapped after a fire at a mine in Southern Poland.

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated) RISEN: Allied Irish 113 + 3; Beethoven Brewery 94 + 3; Broom Walker 94 + 6; Burton "A" 246 + 8; ENI 142 + 4; Kenning Motor 74 + 3; Lullely (F. J. C.) 83 + 3; Link House 163 + 3; Lookers 94 + 6; Moss Engineering 57 + 8; N. British Property 31 + 5; Paradise (E.) 132 + 3; Pilkington 283 + 8; Prince Wales Hotels 81 + 4; SASOL 150 + 6; Vosper 156 + 6; Whessoe 156 + 16; MINOR: Minoro 220 + 13; Pancontinental 750 + 38; Rustenburg Plat. 150 + 11



WHITE PAPER EMPHASISES CONTROL OF MONEY SUPPLY

Public spending to be stabilised

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT intends to stabilise public spending at current levels for the time being. This is to bring "borrowing and the money supply under firm control without unacceptable consequences for taxation and interest rates." This was argued by Mr. John Biffen, the Chief Secretary to the Treasury, in the Commons yesterday following the publication of a short White Paper setting out the spending plans for 1980-81. Mr. Biffen was, however, very cautious in discussing the prospects for further income tax cuts. At a press conference, he said that given the proposed stability of spending and an outlook for the economy which was not good, "we would not get tax changes repeated next April of the scale and general consequences as this year's." The spending proposals represent a major reduction in the level of expenditure proposed

by Labour for 1980-81 which the new White Paper claims would have required sharply higher taxes—5p on the basic rate of income tax—or higher borrowing. Labour immediately attacked the plans, as did the TUC, Mr. Denis Healey, Shadow Chancellor, claimed the proposals would make the recession deeper. In a television interview, he admitted that some trimming of spending plans would probably have been necessary under a Labour administration because of higher inflation, but the impact would have fallen much less on ordinary people. The White Paper highlights the change in philosophy under the present Government. It says that "to plan more public expenditure before the required output is available to support it would ensure that, in the event, growth in output does not take place. Higher public expenditure cannot any longer be allowed to precede, and thus prevent, growth in the private sector." The immediate prospects for output are poor both in this country and the rest of the world, says the White Paper. A working assumption of the White Paper is that adult unemployment in Great Britain will rise on average by 300,000 to 1.65m in 1980-81, compared with this financial year. The White Paper, which has appeared about two months earlier than in previous years, contains little discussion of the economic background or implications. A longer White Paper will be published around the turn of the year on the plans for later years. At the Press conference, Mr. Nigel Lawson, the Financial Secretary to the Treasury, said the increases in various public-sector charges implied by the Government's decisions would

add a little under 1 per cent to the retail price index over the year. Both Mr. Biffen and Mr. Lawson refused to be drawn on the likely share of total Gross Domestic Product which would be taken by the public sector. Mr. Biffen said the intention was to reduce the share over the next few years. The public sector's share is, however, likely to rise slightly in 1980-81 from the present 41 to 42 per cent since all major economic forecasters are projecting a fall in output next year. The Ministers were also reticent about the Government's public sector borrowing target for 1980-81, which is the subject of intense debate in Whitehall. The decision could form part of any still undecided, medium-term financial plan. Mr. Lawson said there were conflicting influences on the target.

Parliament, Page 10 • White Paper, Page 22 • Analysis and reactions, Pages 23 and 24 • Editorial comment, Page 24 • Lex, Back Page

\$1.5bn U.S. aid for Chrysler planned

BY STEWART FLEMING AND IAN HARGREAVES IN NEW YORK

THE CARTER Administration yesterday launched a \$1.5bn Government loan guarantee plan aimed at saving Chrysler Corporation, the third largest U.S. motor manufacturer, from bankruptcy. But before Chrysler can accept Federal aid, Congress must approve the plan and the company's existing lenders must agree not to withdraw any of the \$4.8bn in loans which they have already advanced. In addition, Chrysler will be required to match the proposed \$1.5bn government loan guarantee with at least another \$1.5bn raised privately, either through sales of assets or from concessions made by "persons with an economic stake in the company." Chrysler is already assured of

Massive backing for BL recovery plan

BY ALAN PIKE, LABOUR CORRESPONDENT

BY WORKERS overwhelmingly endorsed yesterday recovery plans for the company with an 87 per cent vote in favour of proposals which will mean the loss of 25,000 jobs. In an 80 per cent poll 106,062 (67.2 per cent) voted in favour and 15,941 (12.7 per cent) against. The result of the ballot—and particularly the convincing size of the majority—was received with enthusiasm by some union leaders, BL's suppliers and the company itself. BL, which had said it would not seek further funds from the Government unless employees backed the proposals, will make in about a week a detailed request for finance needed during 1980. Sir Michael Edwardes, who became chairman of BL two years ago yesterday, said that the ballot result was the clearest evidence that the overwhelming majority of employees supported the company and recovery plan. The company, he said, had consulted its workforce directly

Post and telephone charges rise

BY JOHN LLOYD

THE POST OFFICE yesterday announced sweeping price increases in the postal and telecommunications services from early next year. There will be a range of telecommunication price increases from January. The unit fee for dialled calls will rise from 3p to 3.5p, quarterly rental charges will go up by £1.25 to £1.50 and the coin box minimum charge will rise from 2p to 5p. The prices will increase income in 1979-80 by £88m and by £495m in the full year 1980-81. Businesses will be hardest hit, with rises for some services exceeding 100 per cent. IEC Energy Group, consultants, yesterday estimated that the

JOBS TO GO AT LINWOOD Chrysler UK, which is heading for a £40m loss this year, is planning to cut up to 1,500 jobs. The main cuts will be at its Linwood, Scotland, plant where 1,000 production and 250 staff jobs are to go. The move is the first step by the Peugeot-Citroen-owned company to increase productivity in the UK by 25 per cent. Back Page

DM bonds for London market

BY NICHOLAS COLCHESTER

THE European Investment Bank is understood to be raising DM 100m (£26.7) through the placing of D-mark denominated bonds on the London market. The move is a direct result of the removal of British exchange controls. If successful the placing will mark the first time that the investing power of the British institutions will have been harnessed to provide fixed interest foreign currency to a big international borrower since the Second World War. The bonds will be listed on the London Stock Exchange and 1 per cent of the placing will be offered through the jobbers as the Stock Exchange's rules demand. The placing will go exclusively to British institutions, with pension funds probably subscribing for the greater part. The issue is being organised by a British merchant bank working jointly with a West

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EUROPEAN NEWS

Bonn fears Britain may be aiming too high on EEC contribution issue

BY JONATHAN CARR IN BONN

EVEN ON the more relaxed occasions in British-West German relations, the question of money never seems far away. The meeting on Wednesday in Bonn between Chancellor Helmut Schmidt and Prime Minister Margaret Thatcher proved no exception.

Mrs. Thatcher retorted that in her garden she too had a Moore sculpture—nothing ostentatious of course, bearing roughly the same relationship to the magnificent object in Bonn as Britain's gross national product did to the German one.

The assembled Ministers and officials laughed heartily enough, but most minds were drawn back to the serious matters in hand. Once again Britain is seeking the support of West Germany for a better deal within the Community.

That said, there is still a danger that the two sides may have talked past one another on Wednesday, that neither has calculated correctly the position of the other, and that Britain's EEC budgetary problems will not be solved in Dublin on November 29 and 30.

They feel this position should gradually change in future years as Britain integrates its trade more with the Community. They are ready to do something to help in the meantime but prefer to work for an alteration in the "corrective mechanism," the instrument agreed upon at the last Dublin summit to aid countries paying too much to the EEC.

How big should these changes be? Mrs. Thatcher has spoken of a "broad balance" for Britain between receipts and expenditure, but it seems that the talks on Wednesday failed to pin down just what that might be. The British feel it would be absurd to show their hand too early by naming figures and the Germans therefore tend to feel the same.

Further, if Britain seems to be aiming part of its case, the Italian and Irish, as two other poorer members of the EEC, are expected to make demands of their own. The tangle could become a tough one for any summit chairman to unravel—perhaps particularly hard for the Irish whose technical resources are relatively limited.

Minister's suicide deals damaging blow to Giscard government

BY ROBERT MAUTHNER IN PARIS

THE SUICIDE of M. Robert Boulin, the French Labour Minister, earlier this week, has dealt a damaging blow to President Giscard d'Estaing's regime at a crucial moment of the Government's life.

honesty, is that he had been "got at" not only by a crooked property dealer, who had sold him a plot of land which had already been sold to others, but by the examining magistrate inquiring into the affair and even by M. Alain Peyrefitte, the Justice Minister, and other political colleagues.

to which M. Boulin had belonged since the beginning of his political career. Yet the late Minister of Labour had not been a popular man in the party for some years. In the 1974 presidential election, he campaigned actively on behalf of M. Jacques Chaban-Delmas, while the present party leader, M. Jacques Chirac, and his followers supported M. Giscard d'Estaing.

Most important, while it is easy for political leaders to condemn the Press for publishing material which damages the personal reputations of public figures, Government in France is still a highly secretive affair. Radio and TV continue to be controlled by the authorities and, even if they are not directly censored, practise self-censorship.

More important, while it is easy for political leaders to condemn the Press for publishing material which damages the personal reputations of public figures, Government in France is still a highly secretive affair. Radio and TV continue to be controlled by the authorities and, even if they are not directly censored, practise self-censorship.

Investigative papers such as Le Canard Enchaîné and to a lesser extent, Le Monde, therefore, act as a safety valve to a system which, in spite of recent improvements remains relatively closed.



M. Peyrefitte... attacked in the letter.

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Portugal in bid for new oil supplies

BY JIMMY BURNS IN LISBON

PORTUGAL IS involved in crucial negotiations with oil-producing countries, aimed at securing adequate supplies for next year.

Portugal says it will have to import 9m tonnes of oil next year, to satisfy internal consumption and maintain the company's refineries at present production levels.

EEC steel use increasing

BY GILES MERRITT IN BRUSSELS

STEEL CONSUMPTION in the EEC this year is expected to show a steady improvement over 1978, according to provisional figures released in Brussels.

The overall consumption outlook inside the Community continues to look favourable, however. The industry's 1979 order book is expected to compare well with last year's total of 66.5m tonnes.

Polish mine fire traps 20

BY CHRISTOPHER BOBINSKI IN WARSAW

RESCUE WORK was continuing yesterday at the Silesia mine in Southern Poland, where 20 miners were still trapped after a fire which broke out when a conveyor belt burst into flames on Tuesday.

33 men died a week later at the Dimitrov mine, near Bytom in the Katowice industrial district, also after an explosion.

British lion's teeth still alarm the E. Germans

BY LESLIE COLLITT IN BERLIN

BRITAIN'S ARMY of the Rhine may have been written off as an unfeared defence force by some of the West German media, but the East German military still think it has aggressive possibilities.

Even more darkly, they are "unconsciously prepared to carry out any order and any crime against peace."

Making up for their lack of numbers, the soldiers and airmen of the British Army of the Rhine are said to be drilled "ideologically and psychologically in anti-Communism and in nationalist traditions."

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# Israel postpones choice of new site for Eilon Moreh

BY DAVID LONDON IN TEL AVIV

THE ISRAELI Cabinet has decided to move the Eilon Moreh Jewish settlement on the occupied West Bank, as ordered by the Supreme Court.

At an extraordinary meeting yesterday, the Cabinet postponed the choice of the new site and reached no decision on proposals for a new settlement drive. After a lengthy and sometimes stormy session, the Cabinet delegated to its Inner Defence Committee the task of finding a new site beside Nablus, the West Bank's largest town for the settlers at Eilon Moreh.

This ruling calls into question the basis on which land in the occupied territories is seized by Israel for Jewish settlements. It also raised the possibility of a direct clash between the Government and militant settlers. So the Cabinet is now seeking ways to avoid further confrontations either in the courts or with the settlers.

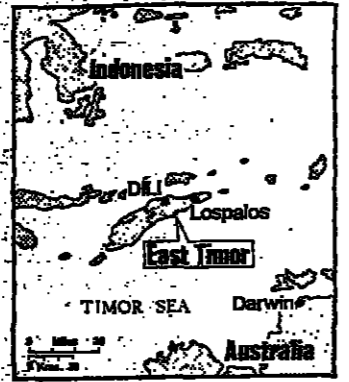
This is opposed by Mr. Ezer Weizman, the Defence Minister, who told the Cabinet that it must view the settlement issue within the framework of the peace negotiations. A few settlements more or less were not as important as ensuring the success of the negotiations, he said.

# TRAGEDY IN WAKE OF INDONESIAN INVASION

## Australian aid for starving Timor

BY OUR FOREIGN STAFF

INTERNATIONAL RELIEF efforts are slowly getting under way to help thousands of people in East Timor who are dying almost unnoticed by the rest of the world from the combined effects of war and famine.



The West has nevertheless been supplying Indonesia with arms. Britain, in co-operation with Aerospace of France, has supplied Puma helicopters and is proposing to supply eight Hawk bombers.

# Charles Smith, recently in Seoul, looks at Korea's economy after President Park's death

**Where experience is the key to continuity**

LAST FRIDAY'S dramatic assassination of South Korea's President Park did more than raise the obvious question of whether any domestic political instability in this strategic area would be exploited. It also left Western businessmen wondering whether the country's much vaunted economic growth trend would be disrupted.

### KOREA'S ECONOMY

January to September 1979	
Wholesale price rise	22.0%
Consumer price rise	15.8%
Money supply increase	26.1%
Exports	\$10.6bn (up 18%)
Imports	\$14.0bn (up 42%)
Current acct. deficit	\$3.0bn

The answer, officials insist, is that it will not. South Korea, they say, has an "autonomous" economic policy making machine which will not be seriously affected by changes in the political leadership.

Plenty of experience of "crisis management" has been built up in even rougher times by a formidable corps of elite administrators and politicians, they say, and all that is needed is some bolstering of foreign confidence.

At one level, the officials seem to be right. Anyone who doubts the experience of the Koreans in handling unusual situations could start by noting that Mr. Hyon Ewack Shin, the present Minister of Economic Planning, was Minister in charge of economic reconstruction under President Syngman Rhee in the late 1950s.

### The North 'to strengthen army'

TOKYO—President Kim Il-Sung of North Korea has called for further strengthening of the armed forces of his country, the official North Korean Central News Agency reported yesterday.

It has also brought about a return to "normality" in the labour market. Unemployment is running at around 4 per cent compared with 3.2 per cent a year ago. At the 3.2 per cent level various types of skilled labour were in exceedingly short supply, and the number of people changing jobs rose to the phenomenally high rate of 5 per cent per month.

Oil prices remain a problem for Korea as for all countries whose energy supply structures depend heavily on imported crude. But the Government claims that a 30 per cent rise in oil prices in 1980 could be absorbed without doing irreparable damage to the domestic price structure.

## Focus on Germany

Weatheralls have recently published a comprehensive booklet on PROPERTY INVESTMENT in Germany. If you would like a copy please contact David Yorke in London or Chris Burt-Dionne in Frankfurt.

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## Third world N-policy defended

THE nuclear supplier nations are pushing developing countries into proliferating the sources of nuclear explosive by their discriminatory policies on nuclear exports and their failure to honour contracts, according to Pakistan's nuclear chief.

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# Marked decline in British exports to Soviet Union

BY DAVID SATTIER IN MOSCOW

ANGLO-SOVIET trade expanded modestly during the first nine months of 1979 but British exports, which were up 22 per cent in 1978, showed a substantial underlying decline.

The value of overall trade increased 11 per cent to £382.4m from £795.5m for the first nine months of 1978. This was the result of a sharp rise in the value of British imports, which reached £573m, an 18 per cent increase over the £482m imported in the same period last year.

British imports consist largely of raw materials—oil, timber, furs and industrial diamonds—and were boosted this year by an increase in the price of Soviet oil.

British exports, however, fell back to £310m this year from £312m in the equivalent period last year and an increase in third country shipments of uranium through Britain for enrichment in the Soviet Union accounted for a significant proportion of the lower 1979 figure.

The exact percentage of the export total which represents uranium routed through Britain is not known but is thought to be between 10 and 20 per cent. This would make the British export figures for the first nine months of this year even less encouraging than they at first sight.

British commercial sources attribute the lag in exports to

a pause between the end of deliveries of power station equipment under the £100m Cobberrow gas compressor station contract signed in 1976 and the resumption of deliveries of equipment under other major Anglo-Soviet contracts. These include the £50m constructors John Brown polyethylene plant deal, the £23.3m Davy Powergas methanol plant contract and the £79m Simon-Carves rubber processing plant contract.

There appears, however, to be an underlying weakness in British exports to the Soviet Union. While other Western competitors, notably West Germany, France and Japan, have steadily increased their trade with the Soviets, the only major British contracts in the last 18 months have been a £50m deal signed by Davy International for construction of an alpha-olefins plant at Nizhnekamsk and a £36m contract signed by Woodhall-Duckham for a glass fibre plant near Polotsk.

The Soviets have only taken up about £550m of the £950m five year cheap trade credit agreed in Moscow in 1975. This credit expires in February, 1980, and now seems unlikely to be fully utilised. Discussions are to start shortly on future credit arrangements.

# Kenya attacks boycott

By John Worrall in Nairobi

THE KENYA Government has warned the Arab League in Nairobi to stop boycott operations against Kenya-based companies trading with Israel.

The warning, from the Kenya Foreign Affairs Ministry, follows disclosures in the Kenya Press that the Arab League office in Nairobi is being used as a channel for trade information obtained secretly in the port of Mombasa. This is alleged to be passed on to the Arab boycott office headquarters in Damascus.

The Kenya Government described the operation as "economic sabotage." It flatly told the Arabs: "The Kenya Government can never accept that Arab States or any other State has a right to dictate to Kenya who to trade or not to trade with. It is utter contempt of our sovereignty and independence, and any such attempt will be vehemently resisted."

The secretary of the joint economic committee of the Arab League in Nairobi, Mr. Hikmat Sadik, denied all knowledge of the boycott

# Report raises new doubts over Algeria gas deal

BY CHARLES BATCHELOR IN AMSTERDAM

RENEWED doubts have arisen in the Netherlands about Algeria's ability and willingness to finance its ambitious plan to export its extensive natural gas reserves in liquefied form.

Algeria is "reconsidering" its large investment programme aimed at substantial liquefied natural gas (LNG) exports," according to details of a confidential Dutch Economics Ministry letter sent to Parliament.

According to the document, which was leaked to the Press here, Sonatrach, the Algerian

State gas company, would prefer to make delivery, at least for future contracts, by pipeline because of the cost of building liquefaction plant. This is part of a rethinking of the country's economic policies after the death of President Boumediene.

The Netherlands and West Germany reached agreement in March for the delivery of 112bn cubic metres of LNG each from Algeria. To handle the incoming gas over the 20-year delivery period which starts in 1983, the Netherlands is building a ter-

minal and extending harbour capacity at Eemshaven.

The Economics Ministry confirmed the general outline of the leaked document but said that the Dutch Government still believes Algeria will hold to agreed contracts. Gasunie, the Dutch gas distribution company, also said its latest information was that the deliveries would take place as planned.

Gasunie said that even if future contracts are for delivery by pipeline across the Mediterranean, the Eemshaven terminal would still be a viable project.

# N. Korea to repay trade debt

TOKYO—North Korea has signed an agreement to pay trade debts with Japanese creditors (totalling Yen 83bn (£169m)) over the next 10 years, starting in 1980, a Japanese corporate official said yesterday.

The agreement was signed in Pyongyang by President Pang Gi-yong of the North Korean Foreign Trade Bank and Mr. Yoshihiko Nomura, president of Shinwa Bussan of Tokyo, following an earlier basic agreement reached here in August, according to Shinwa, one of the Japanese trading partners with North Korea.

The final agreement calls for North Korea to settle its debts with more than 40 Japanese creditors, mostly banks and commercial houses, by paying Yen 12bn each year, and as the first interest is overdue, to deposit Yen 6bn in Japanese banks by the year's end, the Shinwa official said.

To end a trade settlement dispute simmering over the last three years, Japanese creditors and North Korea, agreed in August that Pyongyang will clear Yen 400m by the end of this year and the rest by the end of June next year.

# Car sales to West soar

BY OUR MOSCOW CORRESPONDENT

THE SOVIET UNION, which only recently entered the age of the private motor car itself, last year sold almost 95,000 passenger cars to Western Europe, according to recently published Soviet trade statistics.

Low priced Soviet car exports earned rubles 114.5m (£80.63m) in 1978, half the hard currency earned by total Soviet engineering products exported to the West. Passenger cars are now the third leading Soviet export product in the engineering section with exports increasing faster than production.

In 1978, Soviet exports to both Western Europe and Comecon totalled 387,000 cars

or 30 per cent of total annual production which was 1,312,000. The "Zhiguli," which is based on the Fiat 124 design and sold abroad as the "Lada," is the principal Soviet car export.

Soviet cars exported to the West were sold at an average price of rubles 1,208 (£850) although the selling price within the Soviet Union of a new Zhiguli is soon expected to reach rubles 7,115.

The biggest Western market for Soviet cars in 1978 was Britain, where 19,420 Soviet cars were sold. Other major customers were West Germany, where 10,450 cars were sold, Belgium, with sales of 13,480, and France where 13,870 cars were sold.

# Danish oil rig order for RSV

RIJN - SCHELDE - VEROLME (RSV), the Dutch shipbuilding and engineering company, has received a letter of intent from the Danish Moeller group to build a Fl 90m (£22m) self-elevating drill platform, Charles Batchelor writes from Amsterdam.

The work will be carried out by Rotterdam Offshore en Scheepsbouw (ROS), a new concern being formed by the Dutch Government from the offshore and new shipping construction activities of RSV.

The platform will be the largest of its type in the world with three 100-metre long "legs" and the capacity to withstand North Sea conditions, RSV said.

# Canadian trade back in surplus

By Victor Mackie in Ottawa

CANADA'S TRADE balance swung to a surplus of C\$641m (£253m) in September from deficits of C\$60m in August and C\$13m in July as a result of strong export growth and a decline in imports.

This makes a third quarter surplus for this year of C\$568m following a second quarter surplus of C\$453m and one of C\$83m in the first quarter giving a surplus of C\$1,553m for the first nine months of the current year.

The increase in September domestic exports was due to positive growth in all sections, but most important were food, feed, beverages and tobacco and crude materials.

# International Chamber of Commerce meeting Developing countries improve relations with multinationals

BY MARK WEBSTER

RELATIONS BETWEEN multinational companies and developing countries are improving thanks to a better understanding of each other's roles and objectives, according to a report presented at the International Chamber of Commerce (ICC) annual conference which ended in Abidjan on Wednesday.

The report was compiled by Professor Isalah Frank of the School of Advanced International Studies at Johns Hopkins University in Washington, after extensive research among multinational companies in Europe and the U.S.

It was one of four working documents presented to the ICC annual conference which was being held for the first time in a developing country. The theme of the conference was the role of entrepreneurs and foreign enterprises in less developed countries (LDCs).

Professor Frank's report suggested that dialogue between multinationals and developing countries went on at two levels in international forums such as the United Nations developing countries took a far less compromising stance than they did in bilateral negotiations between host Governments and individual companies, it commended their investment.

Relations between the two had been going through an evolutionary process, he said, adding that as understanding grew, mistrust would diminish. Many leading multinationals had spoken of their "social responsibility" towards the host government and its policies. Several had said that the ideology of a government did not worry them as long as a continuity of policy and stability could be guaranteed to protect their investment.

Nonetheless, most of them were lukewarm to the idea of a code of conduct being drawn up by the UN. They felt that the circumstances of each individual country and each company were too diverse to allow the code to be anything more than the very broadest statement of policy.

Professor Frank's paper went on to point out that there were still many fields in which there was a wide difference of opinion between developing

countries and multinationals. "It would be a mistake to convey the impression that a convergence of views has developed between multinationals and LDCs on most of the issues that concern host governments. Substantial differences of perception persist and they do exacerbate such conflict and tension as is inherent in the relationship," it commented.

The report listed those areas of continued tension as:

- The accusation that multinationals stifle local entrepreneurship.
- The establishment of multinational enterprises in sectors protected by the state to encourage domestic industry.
- The lack of scope given to local subsidiaries by parent companies to make their own initiatives.
- The extent to which multinationals borrow locally rather than bring in funds from abroad.
- The suggestion that multinationals go for intensive rather than labour-intensive technology.
- The practice of transfer pricing.
- The lack of adaptation of technology to prevailing conditions in developing countries.

The view of many speakers at the conference was that such points of contention were a reflection of the difference of view between the private and the public sector rather than the fact that the company was a foreign enterprise.

Mr. Kurt Lanz, vice-chairman of Hoechst in West Germany, in his report on the role of foreign private enterprise in development, said there were some things which multinationals could not be—they could never be charitable in the sense of "not expecting repayment of any kind."

The conference was generally in agreement that the State had an important role to play in encouraging growth but that it should not try to take over the role of private enterprise.

During the final session of the conference it was agreed that the ICC could help to increase the degree of co-operation and mutual understanding by increasing the information flow.

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*At the sign of the Black Horse*

UK NEWS

Lords rejects Burmah appeal to see Treasury documents

BY CHRISTINE MOIR BURMAH OIL will not be allowed to see confidential Treasury documents which it believes might be important in its battle to regain its stake in British Petroleum.

one of the five Law Lords who studied the documents, said there was not the slightest ground "apart from pure speculation" for supposing that they contained anything which could outweigh the public interest claim for immunity.

Government, whose role in the Bank's purchase of the shares in 1975 must inevitably be scrutinised and might be subjected to criticism. If Burmah succeeded in its action it would only be on the basis that the Bank behaved unconscionably in forcing Burmah to sell its BP stake to it—and the evidence indicated that the Bank acted throughout on Government instructions.

which it sold them. The case is still being prepared. It was held up while Burmah sought the release of the documents, which it believed could throw light on whether the Bank was pressured by the Government into taking unfair advantage of Burmah. The main case will now go ahead, the company said.

Caleb Brett pledge on payments

CALEB BRETT and Son, the Esperanza subsidiary whose petition for compulsory winding up is due to be heard on November 19, gave a temporary High Court undertaking yesterday not to make any payments or dispositions of its property.

Decca to bring out viewdata terminals

DECCA's television manufacturing division yesterday announced a range of colour viewdata terminals aimed at the business market.

China flights agreement signed

BRITISH AIRWAYS will be able to fly between London and Peking from April 1 next year following the signing in London yesterday of an Anglo-Chinese air services agreement.

Expansion plan for Border area

A NEW structure plan for the Scottish Borders, setting out development proposals up to the early 1990s, proposes that most industrial expansion should take place in the Hawick-Galashiels-Kelso triangle.

Unlisted share market rules may be altered

STRONG evidence that the Stock Exchange is close to establishing regulations for unlisted companies whose shares are traded on the market has emerged from recent instructions by the Quotations Department.

intended for small companies in which dealings are infrequent. The response was strong and volume in the 163 (2) market multiplied.

Fears began to be expressed that the "twilight" status of such shares could encourage small shareholders to believe they were protected by Stock Exchange regulations when no such regulations existed.

As a result the Stock Exchange set up a sub-committee chaired by Mr. Charles Eglinton, chairman of the Quotations Committee of the Stock Exchange and a partner in jobbers Akroyd and Smithers.

Eight running in Lloyd's election

EIGHT candidates are running for four places on the 16-strong ruling committee of Lloyd's of London. The elections, next Wednesday, will be followed quickly by the election of the next chairman of Lloyd's, who will succeed Mr. Ian Findlay, who retires at the end of this year.

Ferry fares rise

INCREASED FUEL costs have forced the Isle of Man Steam Packet Company to raise fares. The full increase will not come into force until May 1 as the company has extended the operation of its winter discount fares until April 30.

Alcoholism increase

ABOUT TWO in every hundred adults in Britain are alcoholics, say Health Department figures and according to evidence, the number has increased rapidly over the past 20 years.

Scots' crime falls

FOR THE first time since 1973, there has been a decrease in recorded crime in Scotland, according to statistics published yesterday. Reported crimes fell 8 per cent from 301,400 in 1977 to 277,200 in 1978 according to figures released by the Scottish Home Office.

Space for women

BRITISH PETROLEUM yesterday unveiled the accommodation units for 200 employees on the Magnus Field platform which, for the first time in the British sector of the North Sea, will provide permanent living space for women.

Saleroom

SOTHEBY'S yesterday withdrew eight skulls, which were to be part of an antiques and primitive art auction on Monday. Mr. Bruce George, Labour MP for Walsley S., expressed disgust at the traffic in human remains. After contacting the owner, Mrs. Stella Pitt Rivers, the lots were withdrawn.

Conservation in the air

The people at McDonnell Douglas were working on fuel conservation long before it became critical. Two excellent examples are our wide-cabin DC-10 and our new DC-9 Super 80.

A super-safe insulation for super-cold gas

Natural gas is where you find it. Seldom where you need it most. To help move it, we've teamed up with Gaz-Transport of France to develop a new insulation system for ocean-going tankers carrying liquefied natural gas (LNG). It's a lining for the ship's hull which adds safety, takes less space, and works better than other systems.

Advertisement for McDonnell Douglas featuring 'The Sun. A hot prospect.' and 'Ideas in energy'. Includes illustrations of solar collectors and a large building.

Advertisement for McDonnell Douglas featuring 'Conservation in the air' and 'A super-safe insulation for super-cold gas'. Includes illustrations of a DC-10 aircraft and a tanker ship.

Vertical text on the right edge of the page, including 'British critics', 'BANK', and 'ISSUE'.









UK NEWS—PARLIAMENT and POLITICS

Healey predicts deepening recession

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S tight public expenditure plans for next year will deepen the recession and result in a fall in activity and cash flow in the private sector, Mr. Denis Healey, former Labour Chancellor, predicted in the Commons yesterday.



Mr. John Biffen (left) and Mr. Denis Healey.

The proposals contained in the expenditure white paper for 1980-81, were fiercely defended by Mr. John Biffen, Chief Secretary to the Treasury. "We don't believe one can spend one's way out of a recession," he insisted.

At the same time, he admitted that the social security figures in the white paper were predicted on the assumption of a rise in unemployment to 1.35m in 1979-80 and to 1.65m in 1980-81, excluding school leavers.

Mr. Healey said that Mr. Biffen should accept the view of his newly appointed economic adviser and allow the public sector borrowing requirement to rise as unemployment rose and activity fell.

charges for school meals, milk and transport and raising prescription charges to 70p. "Now tell us what is going to be the effect of all this on employment?" he demanded. "The white paper means a massive increase in the cost of living, which has already risen 6 per cent since the Government took office, and a massive increase in unemployment."

Thatcher confident of EEC success

BY IVOR OWEN

THE PRIME Minister confirmed in the Commons yesterday that she expects a favourable response at the EEC summit in Dublin on November 29-30 when she puts the case for the UK to be Britain's net contributor to the Community Budget.



Chairman Hua and Mrs. Thatcher toast the UK-China protocol signed at Downing Street yesterday.

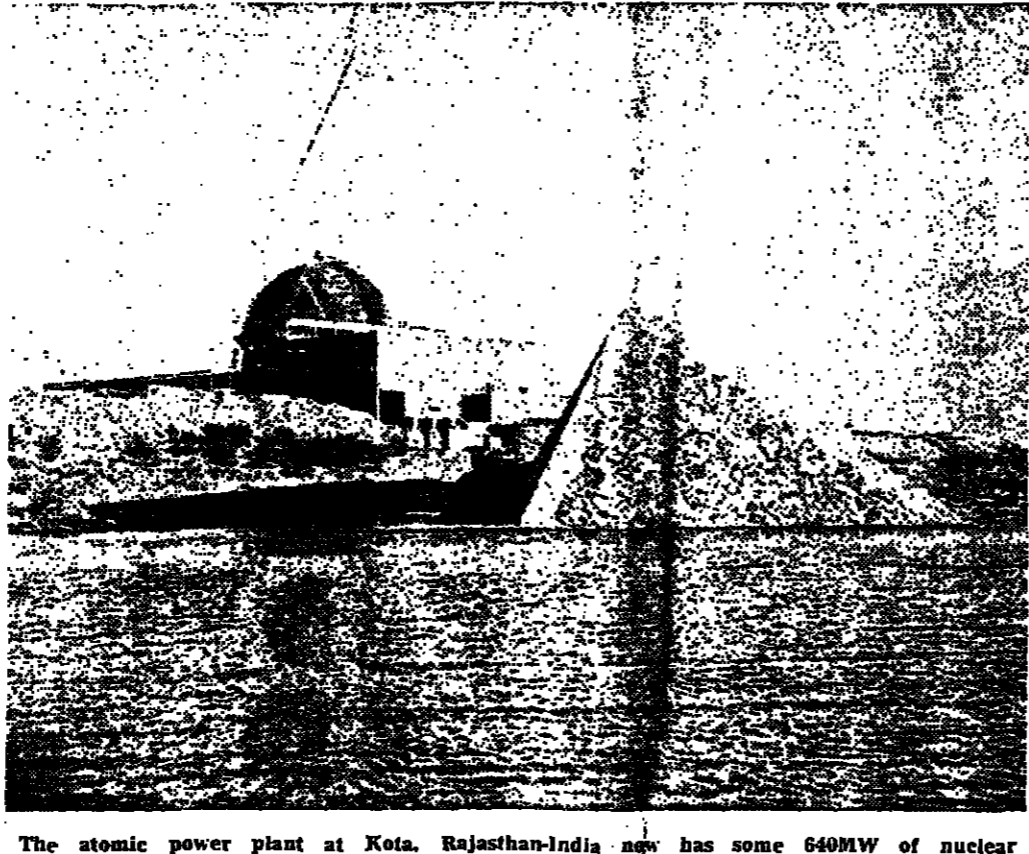
Shipbuilding industry prospects 'patchy'

A FURTHER contraction in Britain's shipbuilding industry remains inevitable, despite the prospect of a recovery in demand, Mr. Adam Butler, Minister of State for Industry, maintained in the Commons last night.

ENERGY REVIEW: INDIA

Attacking acute problems of growth

INDIA'S chief coal planner believes that, although his country's coal reserves should last for 500 years, the calorific value of the coal mined—already poor in quality—will decline still further.



The atomic power plant at Kota, Rajasthan-India now has some 640MW of nuclear generating capacity.

New ideas

The Indian's ability to pick up new ideas, his aptitude for mathematical analysis, together with his very real respect for engineering and technology, suggests that his country could be making a big contribution towards raising the standard of Third World technology by the end of the century.

This is to be done by developing open-pit sites, introducing modern mining techniques underground, and dispensing with obsolete deep mines.

But installed generating capacity is not the end of the problem. India has trouble with the day-time peak loads. One palliative is pumped storage—to compress air or pump water up-hill at night, using off-peak power, when the base load is very low.

Table with 3 columns: India's National Plan, 1976-78, 1982-83. Rows include Population, Labour force, Exports, Imports, Coal output, etc.

Commons business next week

COMMONS Monday: Second reading of the Education (No. 2) Bill. Tuesday: Second reading of the Industry Bill.

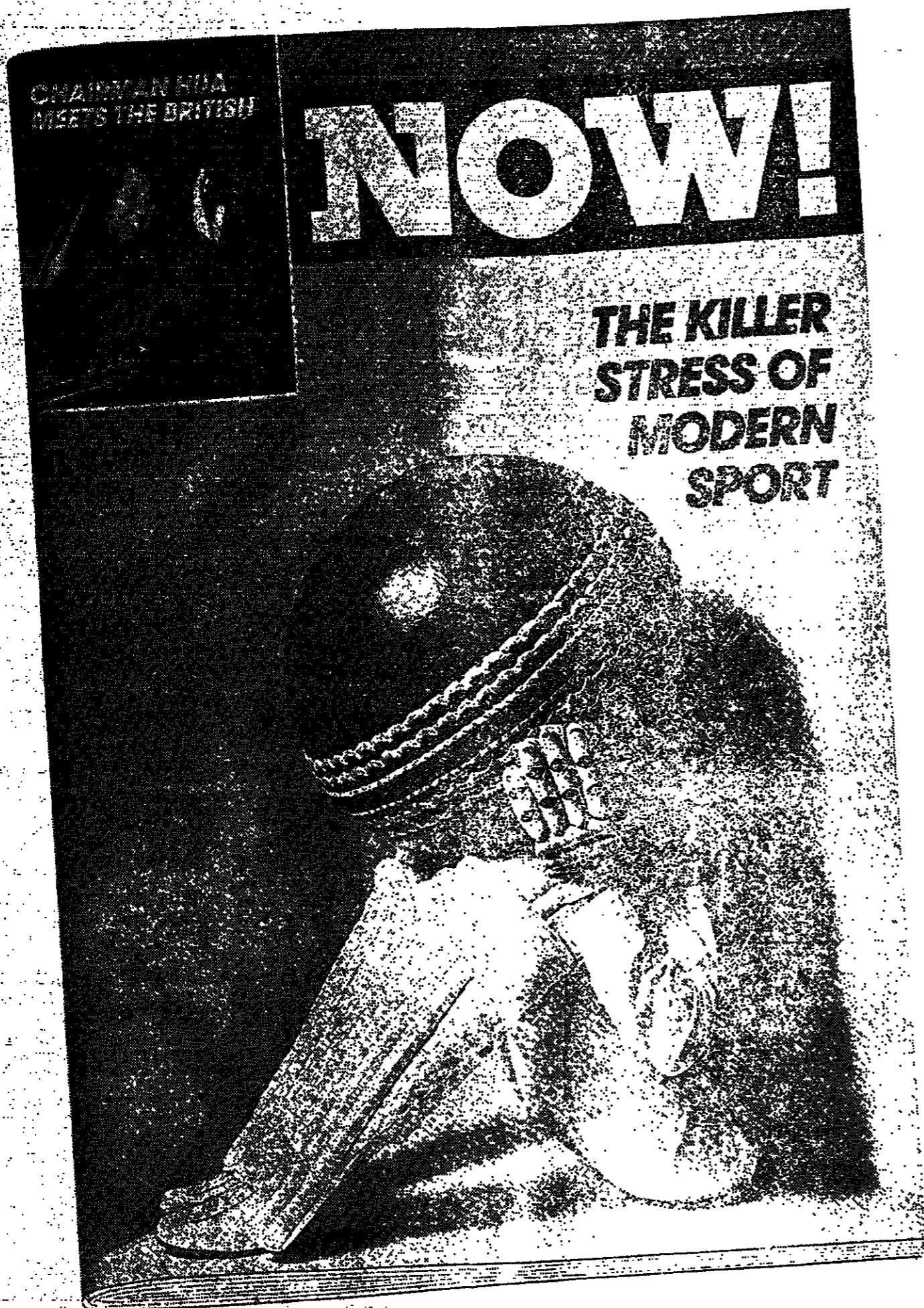
Sanctions decision expected

By Elinor Goodman, Lobby Staff THE GOVERNMENT is almost bound to announce a decision on the future of sanctions with Rhodesia by next Thursday when it announces the Parliamentary business for the week ahead.

Committees row

BY ELINOR GOODMAN THE INTERNAL arguments in the Labour Party over democracy overrode into the rest of the House of Commons yesterday and further delayed the setting up of the select committees which were supposed to strengthen backbench democracy on Tuesday.

Vertical advertisements on the right edge of the page, including 'The Red I', 'The m...', 'rem...', 'China', 'The D...', 'NOW!', 'raising', 'Press', 'James Shrim', 'Great', 'How to save s...', 'wine, Alan H...', 'as possible.', 'Patrick Hutbe', 'the growing b...', 'tax avoidance', 'Down in the n...', 'The state e...'.



**ANOW! Documentary.**

# Danger. Men at play.

**NOW! examines the killer psychology that is turning today's sport into a high risk business.**

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**The motives behind Britain's remarkable welcome for China's Chairman Hua.**

## **The Deadly Dollar.**

**NOW! investigates the IRA fund raising activities in America.**

## **Press freedom.**

**James Goldsmith and Anthony Shrimpsley contribute to the Great Debate.**

How to save £132 on a bottle of wine. Alan Hall does it as often as possible.

Patrick Hutber comments on the growing business of tax avoidance.

Down in the mouth? The state of dentistry in Britain.

The black economy in air fares. How the airlines quietly sell off surplus seats.

Antal Dorati gives his verdict on the London orchestras.

Frank Johnson on the visit of a Chinaperson.

## **How 'King Arthur' brought Camelot to Barnsley.**

**The way Arthur Scargill has extended his kingdom in a former Cabinet Minister's constituency.**

## **The battle of the Bolshoi.**

**Why the world's most famous ballet is in such a turmoil.**

**Inside Britain's most crowded jail. A NOW! picture special takes you within the walls of Strangeways prison.**

'The Executive's World' advises how to be interviewed on TV.

Art Buchwald on 'not talking about Chappaquiddick!'

Kathryn Samuel writes about the make-up magicians.

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NUR drafts productivity co-operation proposals

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL'S largest union yesterday unveiled a £300m pay and conditions package as its terms for co-operation with the BR Board's efforts to improve efficiency on the railways.

But the union is determined not to sell any more jobs for money. As any productivity proposals put forward by British Rail would be likely to include redundancies—some, including the NUR, have put the figure BR is seeking at 30,000-40,000—the Board may feel the price of the union's co-operation is expensive.

TGWU vote to end Vauxhall strike

BY PHILIP BASSETT, LABOUR STAFF

VAUXHALL MOTORS yesterday moved closer towards a return to work at its Ellesmere Port plant on Merseyside when 3,000 members of the Transport and General Workers' Union voted to accept a 17 per cent pay package and end their eight-week-old strike.

Shipowners offer 15% pay rise to officers

By Our Labour Staff

SHIPOWNERS yesterday increased their pay offer to Merchant Navy officers from 13.5 per cent to 15 per cent and improved conditions attached to an offer on holidays. The holidays element would add another 2 per cent to the wages bill.

Building industry body 'harms labour relations'

BY NICK GARNETT, LABOUR STAFF

CREATION of a negotiating body outside the union-management structure in the building industry has been attacked by Mr. Les Wood, general secretary of the Union of Construction, Allied Trades and Technicians, as an act of "gross irresponsibility".

Company fined over noisiness

AN ELECTRONICS company was yesterday fined £100 for supplying outworkers with a chemical capable of giving off a potentially lethal gas without giving them proper warning or protective clothing.

Customs men at Heathrow walk out over bonus

CUSTOMS OFFICERS staged a two-hour walk-out at Heathrow Airport yesterday in protest at the ending of a 300-year-old bonus sometimes received for detecting smuggled goods.

TSB claim for ballot

DATA PROCESSING members of the Banking Insurance and Finance Union within the Trustee Savings Banks are being hounded to industrial action in a dispute over pay.

The "bounty" was scrapped from yesterday, and Mr. Peter Simpson, branch secretary of the Society of Civil and Public Servants at Heathrow, claimed smuggling through the airport would probably become less difficult because officers who checked passengers and aircraft crews might feel less keen to do their jobs.

Mr. Wood said the refusal to take up the offer showed an alarming lack of judgment on the part of the FMB leaders. gain cheap publicity, while at the same time threatening a split in the building industry, which can only do harm.

Access to 'discrimination' evidence refused

WORKERS who complain about race or sex discrimination in job promotions disputes are not entitled to a "general order" allowing them to see the confidential documents relating to rival candidates, the House of Lords ruled yesterday.

Confederation defers EMA decision

A DECISION on whether the Engineers and Managers Association should be admitted to the Confederation of Shipbuilding and Engineering Unions may be made next month.

BUSINESSES FOR SALE

How do they expect me to explain all the merits of owning your own Ziebart Rustproofing Centre in this tiny space. They could at least have given me a poster site to work on. If you want to know more about the high profits to be earned in operating a Ziebart Centre then I reckon your best bet is to phone Keith Tarry on 0903-20471. I'm sure he'll tell you all about it.



ENGINEERING BUSINESS FOR SALE Turnover approx. £3.5 million per annum The business manufactures pressure and other types of vessels for the process and chemical industries as steel fabrication work for mining equipment, heat exchangers, etc. There are modern electronic testing facilities available, enabling production to the A.S.M.E. Specification.

CHEMIST/DRUG STORES REQUIRED A substantial private company has unlimited finances available for the acquisition of single or groups of chemist/drug stores. Please send details of turnover/profit in the strictest confidence to Mr. H. Dawson STAFFORD CLARK & CO.

FOR SALE EARTHMOVING COMPANY EAST MIDLANDS Good plant fleet and profit potential Present turnover £1m Write Box G.435, Financial Times, 10 Cannon Street, EC4P 4BY.

UNIQUE OPPORTUNITY to acquire a fully operational coffee roasting/processing unit in NW London. Includes roasters, automatic packaging machinery, etc. capacity 10/15 tons per week. Easily run. Long lease. £250,000 inclusive. Further details on request. Write Box G.431, Financial Times, 10 Cannon Street, EC4P 4BY.

FISH SMOKING AND PROCESSING PLANT Profitable business for sale incorporating fully equipped fresh fish processing in a modern purpose built premises. Smoking Kilns, Ice Maker and Chill Room. Established customer base. Associated profitability at between £70,000 and £100,000 per annum. Full particulars available. All enquiries to: 01-531 7136 extn. 316.

WELL ESTABLISHED GARAGE with 2,500 sq. ft. showroom In South London for sale. Freehold property, good profit record and franchise. Property valued at £150,000. Plant, s.a.v., approximately £70,000. Offers in excess of £200,000 considered. Write (Principals only) to Box G.432, Financial Times, 10 Cannon Street, EC4P 4BY.

LEISURE COMPANY FOR SALE Leisure Company involved in the music industry making profits of £75,000 pre-tax with assets of £250,000 for sale to a serious purchaser. Substantial tax advantages available. Write Box G.432, Financial Times, 10 Cannon Street, EC4P 4BY.

RUBBER MANUFACTURER Company making net profit of approximately £250,000 per annum. Situated in the south-east. It has an excellently equipped factory and considerable growth potential. Principals only write to Box G.430, Financial Times, 10 Cannon Street, EC4P 4BY.

TECHNICAL JOURNAL for sale. Official journal of Professional Institute. Editorship available. Write Box G.438, Financial Times, 10 Cannon Street, EC4P 4BY.

CONTRACT CLEANERS Profitable company in Southern England wishes to sell its interest in contract cleaning. Turnover in excess of £7m per annum. Principals only write to: Box G.433, Financial Times, 10 Cannon Street, EC4P 4BY.

HOTELS AND LICENSED PREMISES By Order of the Creditors HOTEL LOS ARGOS TORREMOJINOS, SPAIN Opportunity to acquire a purpose built FREEHOLD HOTEL fully furnished. 51 letting rooms with balconies, C.H., Lift, Bar, Restaurant, Swimming Pool, 28,4m. deposits (£200,000) accounts available for inspection.

RARITY Hotel of international repute in central but indescribably beautiful location (Greater Manchester Area) with installations such as lounges, indoor and outdoor swimming pool, solarium, sauna, table tennis, room tennis and mini golf course and other facilities for sale. The equipment is very exclusive. Total area approx. 35,000 sq.m., therefore additional construction possible (additional purchase of further 40,000 sq.m. also possible). The property fully justifies the price of approx. £10m because of popularity and style. Interested parties please write with proof of capital to the authorized intermediary: IMMORILEN-RECHT Georgstraben 6 D 6251 Selters 2, W. Germany

ORLANDO FLORIDA Prime Location 254 rooms tourist hotel for sale. £2,500,000. Existing mortgage £1,500,000. 8 1/2% interest. Current income will return 13 1/2% cash on cash. Management available. Other prime property available in South Florida and will offer them as Principals. Contact: Gordon 388-1822 or 602-3812, or direct: Mr. Wallace Rastbom, Tel: USA 308-547 6900. Telex: 60/2823

FOR SALE WITH CONSIDERABLE POTENTIAL FOR GROWTH ELECTRONICS COMPANY IN NORTH OF ENGLAND HIGH PROFIT MARGINS - OWN PRODUCT RANGE T/O £300,000 - GOOD & INCREASING CONTRACTS FIRST CLASS LABOUR FORCE AND MANAGEMENT OWN BUILDINGS & EXTENSIVE VEHICLE FLEET. Reply to Principals only to: J. Russell Hart & Co., Accountants Commercial House, 29 Scarborough St., Hartlepool, Cleveland

FOR SALE Lucrative car-very hire business operating with two depots in North Midlands. Both being near town centres to busy areas. One property on long lease, low rent—one freehold included in the sale (approx. value £25,000). Business established over 10 years. Net profit current year £80,000—last year £68,000. Regular clientele, 85% of business cash with order or in advance of hire. Very few on account. Only 6 staff involved. Present stock includes 40 1978 models, 30 1976 models, 20 2 years old. Also several 1978 1500 cc. vans. Generous staff allowances as stock can be written down by 100% annually. A great opportunity for a big firm to step into a very profitable business with scope for expansion. Offers for business, lease and franchise in region of £150,000. Stock at agreed valuation or owner could dispose of this separately. Write Box G.437, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE PRECISION ENGINEERING CO. Freehold Factory 28,000 sq. ft. South London. Present T/O £1m on Sub-Contract work. Modern plant capable of varied work. Retirement reason for sale. Family business. Principals only Write Box G.439, Financial Times, 10 Cannon Street, EC4P 4BY

FOR SALE FREEHOLD GARAGE PREMISES situated in the Midlands New vehicle franchise, large workshops, busy forecourt, main road frontage, profitable. Principals only, no agents. Write Box G.477, Financial Times, 10 Cannon Street, EC4P 4BY.

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holscher Small company operating in Northern England, Scotland and Northern Ireland distributing instruments and accessories to retailers. Turnover £250,000+. Modern freehold premises suitable for handling much larger volume. Good profit record. Write Box G.436, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE A small industrial unit, c. 20,000 sq. ft. in a prime location. Suitable for a wide range of industrial purposes. Call for details. Write Box G.434, Financial Times, 10 Cannon Street, EC4P 4BY.

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ALUMINIUM & ZINC DIE-CASTING COMPANY based in West Yorkshire Would be of particular interest to any similar company wishing to expand existing business. Tax losses of £50,000 available. Write Box G.431, Financial Times, 10 Cannon Street, EC4P 4BY.

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BUSINESSES WANTED We seek acquisition of or participation in CONSTRUCTION MACHINERY DISTRIBUTING COMPANY As an international group wishing to expand our machinery distribution activities, our requirement is for a company—preferably operating in the Midland area—holding exclusive U.K. selling rights or substantial local franchises yielding a seven-figure turnover. A firm business footing and sound reputation are more important than the profit record. Direct or indirect approach with brief details in strict confidence to Managing Director, Box No. G.4799, Financial Times, 10, Cannon Street, EC4P 4BY.

DO YOU WISH TO SELL YOUR COMPANY? Family-owned expanding London Group has cash funds available. £250,000 to £2m for the acquisition of profitable and well-managed companies, any industry. Strictly confidential enquiries only. Write Box G.432, Financial Times, 10 Cannon Street, EC4P 4BY.

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WANTED AGENCIES FOR INDIA Well established Indian firm having contacts with top industrial companies needs selling agencies of good companies. Firm has offices in main commercial centres at Bombay and Calcutta. Write Box G.433, Financial Times, 10 Cannon Street, EC4P 4BY.

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BROKING BUSINESS REQUIRED Investment banking company providing corporate financial services is seeking to broaden its range of activities and invites proposals from insurance, mortgage or leasing brokers who feel their own business development would benefit from an association with our company. Write Box G.436, Financial Times, 10 Cannon Street, EC4P 4BY.

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## INSTRUMENTS

### Tests circuit boards and assemblies

A SUITABLY programmed microcomputer is incorporated into the latest automatic continuity tester from Gould Instrument Division.

The result is enhanced storage facilities, making it easier to test printed circuit boards or cable assemblies against known good test patterns. Communications between man and machine are also improved.

The computer has 32k of storage, a dual floppy disc store and a high grade keyboard. All the software for interfacing with the automatic test equipment, including "handshake" routines, is pre-programmed into the processor.

Software options available include a detailed visual presentation of fault locations, rather than the listing of test nodes provided by the basic tester, and the provision of information on failure rates and fault locations to enable factory managers or design engineers to analyse failure patterns.

The micro is linked to the continuity tester via an IEEE bus which can also be used to add in other peripherals.

More from Roebeck Road, Hainault, Essex IG6 3UE (01 500 1000).

### Collects air pollutants

AN AIR-SAMPLING instrument which it is claimed can operate unattended in the open for periods of up to seven days, and yet give highly accurate estimations of the concentrations of airborne dusts, chemicals and gases, is being offered by Casella London, Britannia Walk, London-N1 7ND (01-253 8581).

It is stated that the airflow through the collector-head is kept constant to within ± 3 per cent of a preset value, irrespective of changes in pressure drop across the head caused by accumulation of contaminants. The instrument achieves this by

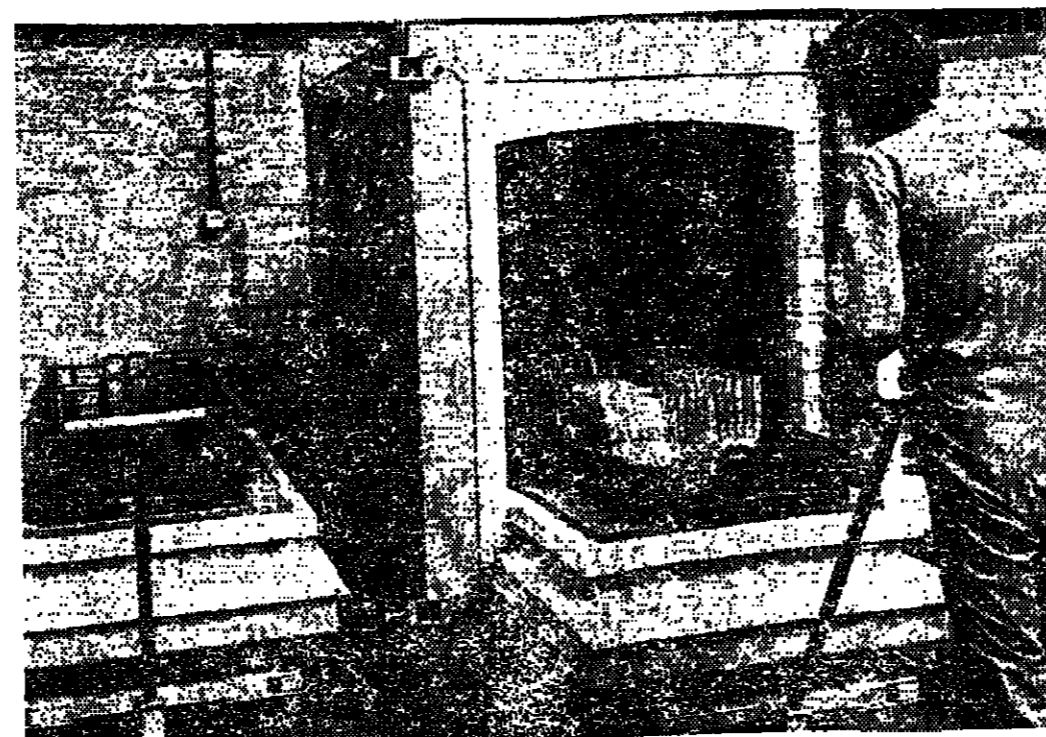
## DATA PROCESSING

### Will sell IBM-compatible systems

MAGNUSON HAS been formed as a company to sell the Magnuson range of IBM-compatible computer systems to industrial/commercial users in the UK and Europe.

The new company is a logical step forward for Magnuson Systems Corporation, which 12 months ago made its first major move into world markets with the formation of Magnuson Air Transport Computers and Magnuson Middle East, companies which concentrated their activities, respectively, on the airline

## PROCESSING



This electric box-type furnace is installed in NEI Parsons' Heaton Works, Newcastle-upon-Tyne and is being used for tempering stainless-iron turbine blade segments after hot dip brazing. It is one of the latest furnaces to be offered by Ramsell-NABER, 22 Brookvale Trading Estate, Moor Lane, Birmingham B6 7AQ. (021 356 8441.)

### Opens packs to recover contents

REPLACING AN earlier model from the same company is a Guntson's Sortex machine for opening and recovering the content from packaged commodities.

Typical applications include recapturing the content from feisty paper or plastic packs which are incorrectly-sealed, labelled, damaged or of the wrong weight.

Another use is reclaiming the contents of packaged commodities with an exhausted shelf life to protect the brand names.

Two versions are available: mild steel or stainless steel construction. The machine is self standing.

Range of pre-packed goods for which the machine may be used includes tea, biscuits, tobacco, sugar, sweets, coffee, pharmaceutical products, seed packets, soup powder sachets and all kinds of powdered products.

More from Guntson's Sortex, Fairfield Road, Bow, London, E3 (01-980 4383).

## STERILISING

### oven

A STERILISING oven designed and constructed by Funditor, South Way, Wembley, Middx. (01-902 3022) is stated to conform with the requirements of BS3421 and a new Hospital Technical Memorandum (HTM) for quality, performance and safety for sterilising equipment.

It is double-sided with doors at front and back to fit into a wall separating sterile and non-sterile departments. The doors are fitted with suitable heat seals and locks and they are electrically interlocked.

Operating at a temperature of 160 degrees C and a maximum of 350 degrees C for a five-minute period, the oven is electrically heated by a series of high duty nickel chrome elements, rated at 18 kW of the open coil pattern.

A forced air circulation system is incorporated, provided by a high capacity centrifugal fan unit fitted into the top of the plenum chamber which assures a consistent working temperature with a minimum of variation throughout the whole of the work compartment which is 36 ins deep, 48 ins high and 54 ins high.

## ELECTRIC WIRING

### Preparing for the future market

MK ELECTRIC, which has reached a turnover level of £45m per annum and claims a UK market share of 55 per cent in mains electrical wiring accessories, has revealed one or two strategies aimed at enhancing the company's position in a market place that is not without its problems.

At a recent function to mark the company's diamond jubilee, managing director Michael Dowsett hinted that MK's somewhat circumscribed position resulting from making only products that comply with British standards will soon be altered. Both continental and North American markets are now being actively examined.

To prepare in advance for the business that should result, the company is expanding its UK manufacturing capacity by making a 30 per cent addition to its 60,000 sq ft Basildon plant, with a similar move at Hastings, Sussex, that will ultimately result in 130,000 sq ft there.

These, and the plants at Edmonton, London and South-end, Essex, will concentrate on mechanised parts production and assembly for the home market, while the overseas factories in Kuwait, Singapore, South Africa and soon in Malaysia will assemble products and provide local support, marketing and warehousing. Most of the products however, are the same as those used in the UK.

Plans to manufacture to foreign standards are clearly not unconnected with the doubt that now surrounds the proposed "world-wide" plug and socket which Jim Fallon, the company's external relations director, described as having "run into very stormy waters on the grounds of international commercial considerations."

He said that although there is nothing technically wrong with the vertical in-line flat pin design, many members of the International Electrotechnical Commission (IEC) wanted to ensure that any international system decided upon will accept

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as is provided for modern sanitation, hot water systems and roof insulation. Pre-1952 properties with rubber-covered wiring are the target; there are estimated to be over 5m of these and in many cases it is known that wires need only slight movement for the insulation to simply drop off. Accompanied—as is very likely—by conductor overloading, the fire risk is considerable.

The company will also try to get the Parker-Morris standards (for numbers of socket outlets in houses) updated since, with the advent of freezers, now in about 30 per cent of households, fridges (80 per cent) and a multiplicity of kitchen, DIY and garden devices the UK has "1961 standards for a 1979 life style."

The company also plans an attack on what it sees as the unsatisfactory safety situation, particularly in domestic dwellings.

MK believes it has to be accepted that there is no effective check of what goes on in a house's installation as the years go by. The company will therefore be campaigning to ensure that if a dwelling changes occupancy, it will be made mandatory for the installation to be checked "in order to safeguard the new occupier."

But who would pay for such checks, and who would carry them out remains a matter of conjecture.

At the same time—and perhaps surprisingly—MK is developing new approaches to selling new wiring into old houses via the contractors. Techniques will be similar to those used in selling double glazing, aluminium windows, and central heating, with pre-sale promotional literature that will come through the letter box.

GEORFFREY CHARLIS

## Index of computers

NATIONAL Computing Centre has strengthened its information services by buying the computer installation index operations of Pedder Associates (PAL), now a member of the Business Intelligent Services Group.

PAL until recently marketed the Pedder Computer Index which, having details of UK computer installations, was analogous with NCC's National Computer Index.

PAL intends to concentrate on market research, and will itself become a user of NCC's Index. NCC has maintained the National Computer Index for eight years and currently has details of almost 30,000

## UK word processors

MARKETING of what is claimed to be the first British-developed word processing systems starts at Compec in London on November 6 when Comma Computers—a systems and terminal distributor based near Brentwood, Essex—unveils its equipment the CommaWriter.

Consisting of a software package developed in conjunction with a British university, and

## METALWORKING

### Pneumatic press

IT IS claimed that awkward assemblies can be carried out by means of a small hand-operated pneumatic press made by Riggs Brothers (Tools). The machine can be used for riveting, stamping, crimping and similar operations.

The press has a cast-iron frame with a vertically mounted air cylinder and sliding ram which is moved by means of a hand lever. Air pressure can be regulated to produce the required impact and the spring return of the piston is cushioned by restricting the exhaust of the cylinder.

There is no necessity for guards, says the maker, as the press will not operate until the top tool is in contact with the workpiece.

There are seven models from 2.4 tons impact with variable throat (3 in - 7 in) and daylight (5 in - 7 in).

Full details of these small presses may be obtained from the company at Greenfield Works, Corporation Street, Colne, Lancs. BB5 5LB (0282 866789).

## HEATING

### Provides local warmth

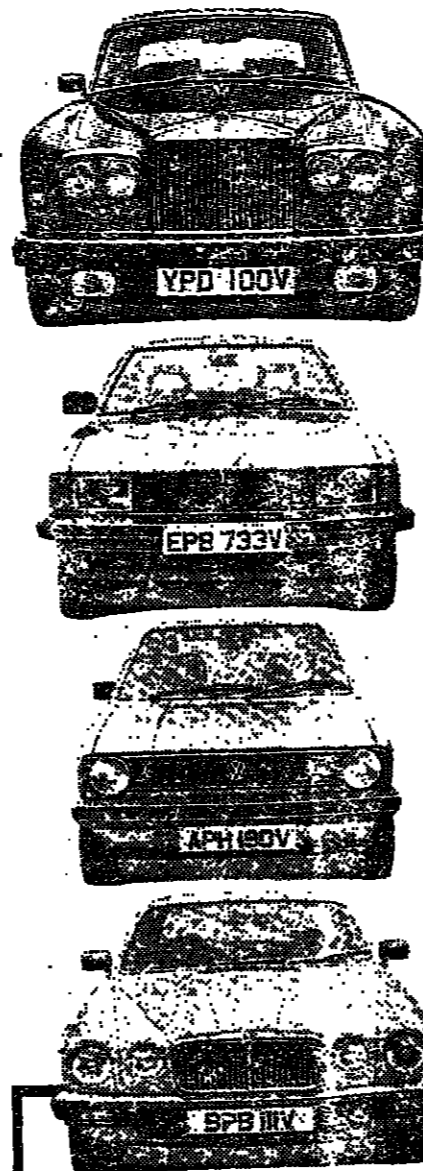
DESIGNED TO provide heat for people and objects within a specific area, instead of relying on the convection of large volumes of warm air, and to create suitable working conditions at significantly reduced rates of gas consumption, is a gas-fired infra-red radiant tube heater known as Type DR61 from Dunlop.

It incorporates the Design Council award-winning Thermimax gas burner and has a minimum number of components for site erection.

Tube assembly is supplied complete and the control box is simply located on its own support bracket while the exhaust fan is situated on the outlet flange. The end of the two reflector sections are secured by a single fixing and float at the centre on individual expansion supports.

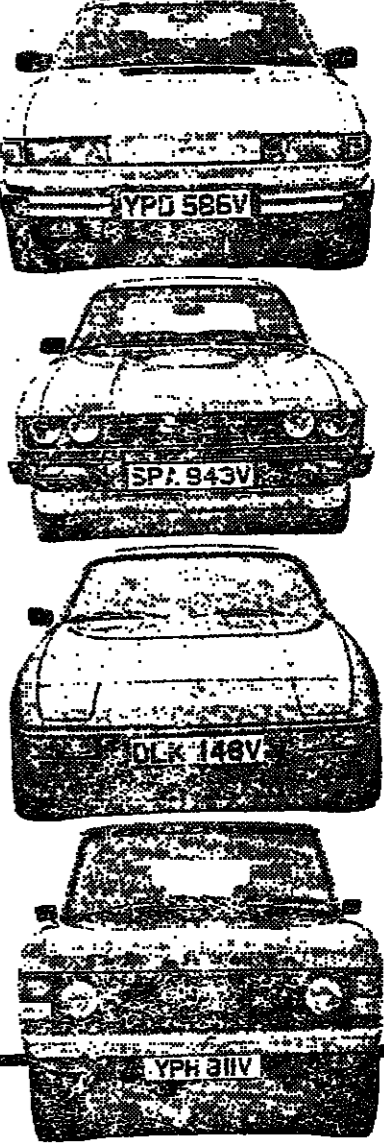
Complete heater has two points in each tube end plate for overhead suspension or for mounting on wall brackets.

Servicing is said to be simple as each component is easily removed for inspection and the units can be controlled remotely, either individually or by zones.



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For further information on company accounts contact Peter Hopkins on 01-408 1255. London reservations: 7-23 Bryanston Street, Marble Arch, London W1. Tel: 01-408 1255. Central reservations: Portsmouth Road, Thames Ditton, Surrey. Tel: 01-398 5555.

## At the centre of the Computer Scene

# COMPEC '79

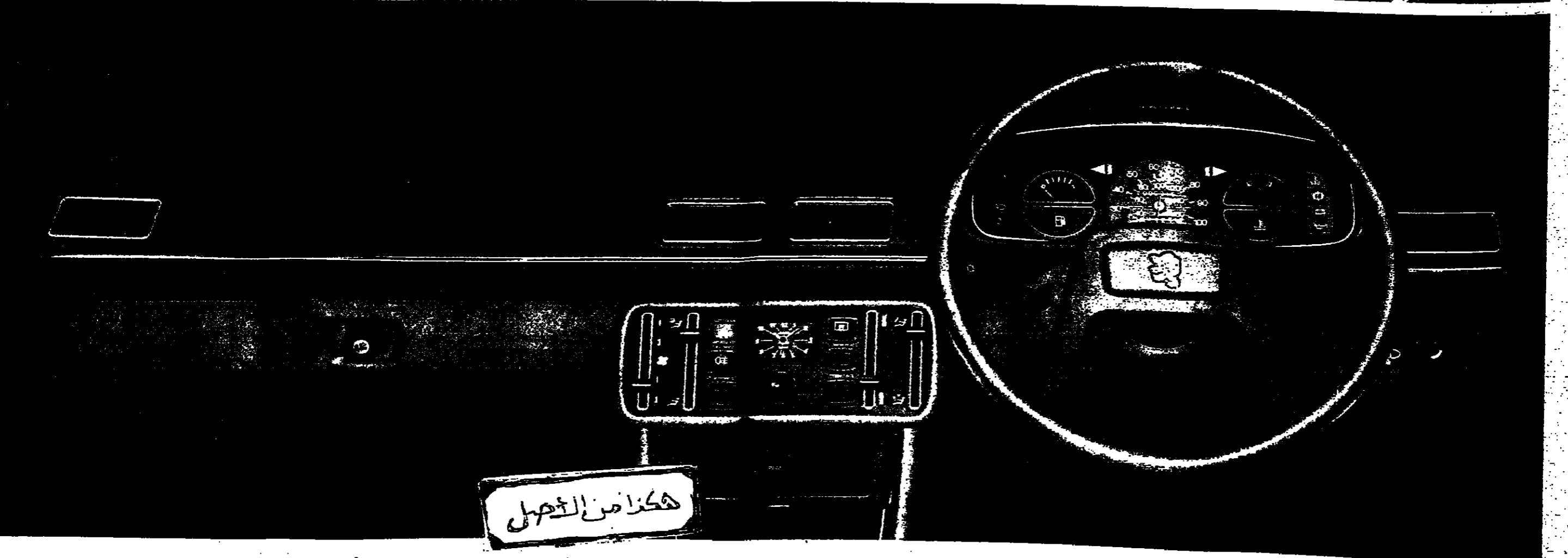
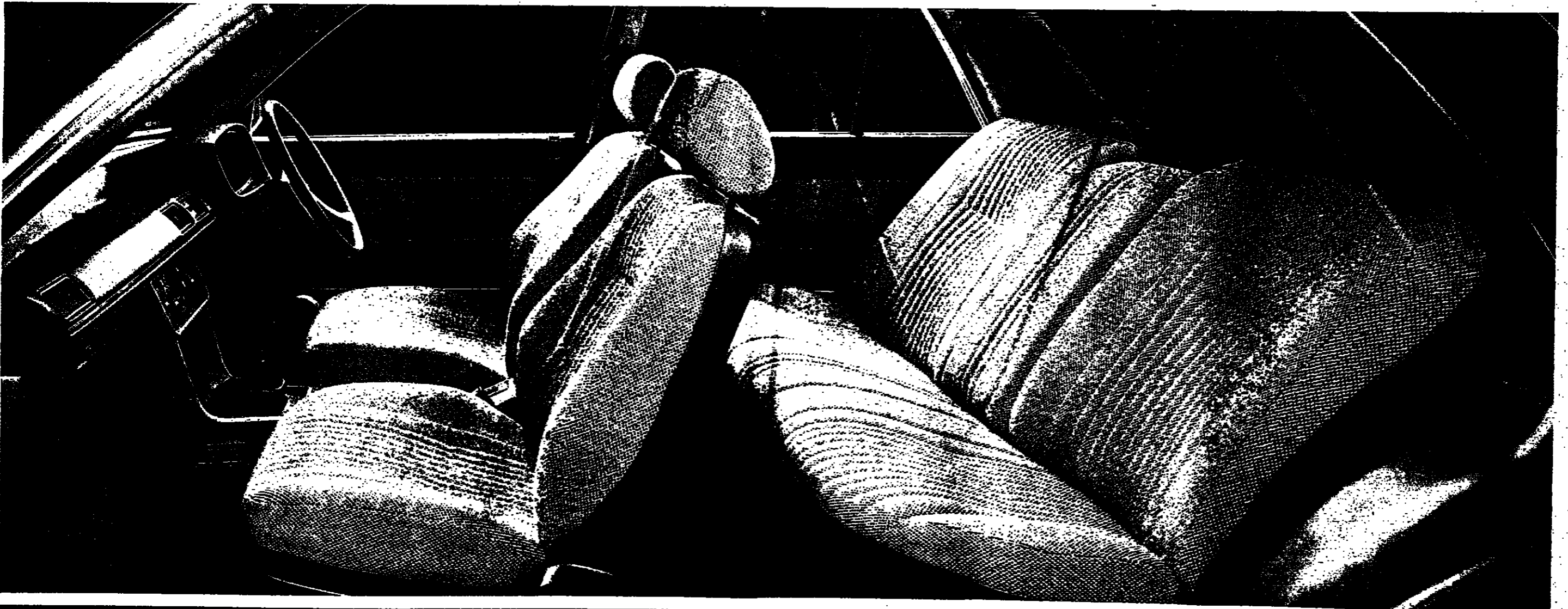
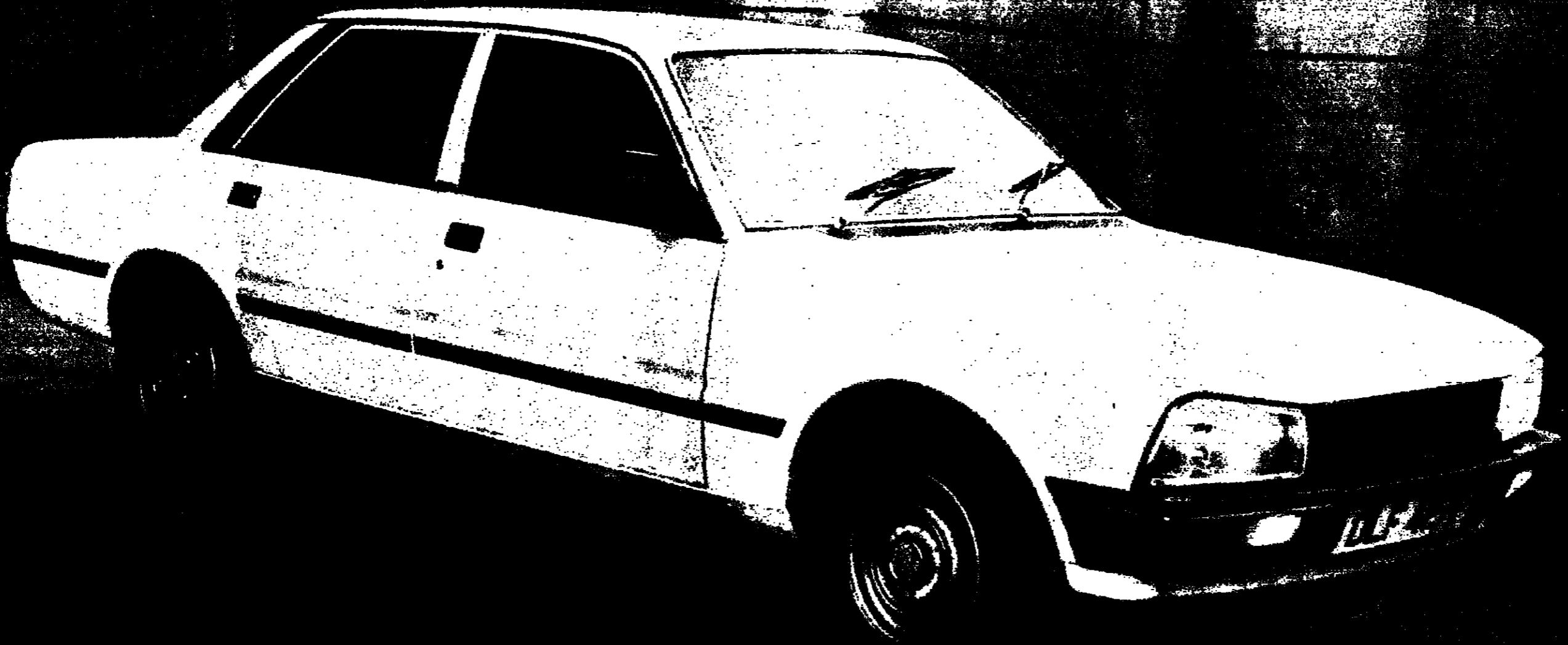
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# The New Peugeot 505 2 litre



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The new Peugeot 505 is a car that has been designed to meet the needs of the modern driver. It is a car that is both stylish and practical, and it is a car that is built to last.

Model	Price
Peugeot 505 2.0	£12,995
Peugeot 505 2.0i	£14,995
Peugeot 505 2.0i 16V	£16,995

### Econo

The Peugeot 505 is a car that is designed to be economical. It has a 2.0 litre engine that produces 110 bhp and a top speed of 140 mph. It also has a fuel consumption of 20 mpg.

### Comfo

The Peugeot 505 is a car that is designed to be comfortable. It has a steering wheel that is positioned at a height of 1000mm and a seat that is adjustable in height and backrest angle.

The Peugeot 505 is a car that is designed to be safe. It has a front end that is designed to absorb impact and a rear end that is designed to absorb impact.

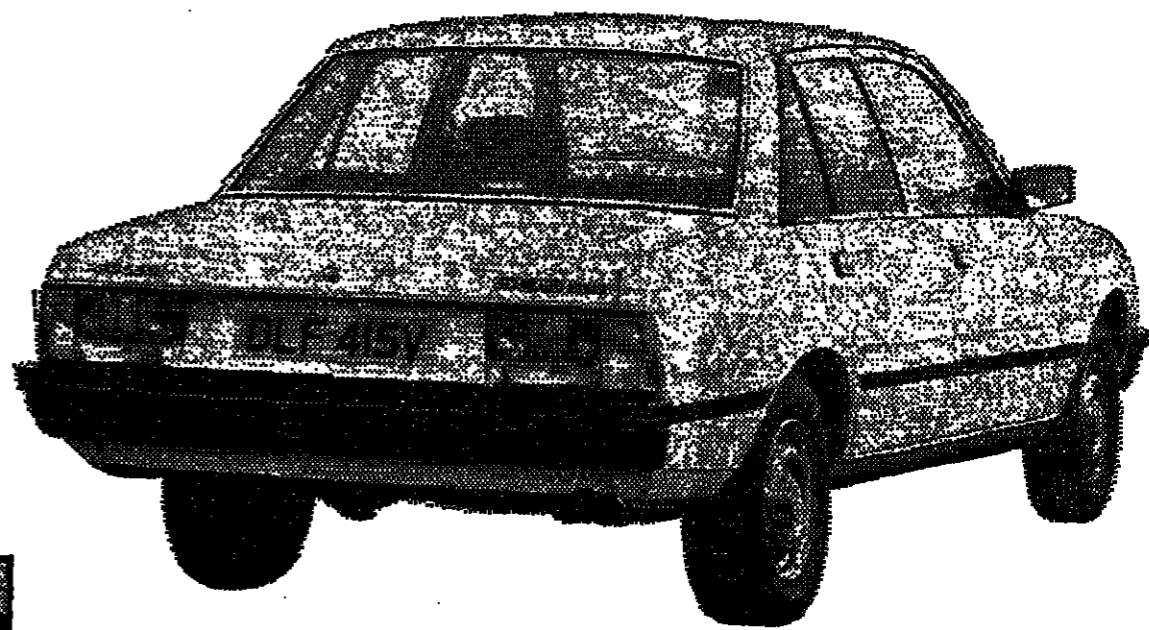
The Peugeot 505 is a car that is designed to be reliable. It has a 2.0 litre engine that is known for its reliability and a transmission that is known for its durability.

The Peugeot 505 is a car that is designed to be stylish. It has a sleek and aerodynamic design that is both functional and attractive.

### Inside

The Peugeot 505 is a car that is designed to be comfortable. It has a steering wheel that is positioned at a height of 1000mm and a seat that is adjustable in height and backrest angle.

# Comfort and Reliability get together with Style



The new Peugeot 505 2 litre will cause many a head to turn. Its sleek aerodynamically conscious design is undeniably stylish and immediately suggests quality and refinement.

There's a range of models that should certainly match most people's requirements in this class. A choice of three engines, carburettor, petrol injection, or diesel and two levels of luxurious trim to consider, and with automatic transmission on some, there's a total range of ten models.



The large boot with up to 18.4 cu ft of luggage space.

ENGINE	1971cc Carburettor	1995cc Fuel Injection	2304cc Diesel	Trim
MODEL	GR SR	TI STI	GRD SRD	A B

Trim A upholstery is in attractive velours, Trim B in new style tweed cloth. Trim B also features as standard equipment electrically operated sunroof and front windows, tinted glass all round and body side protection mouldings.

## Economy

Economy for the customer has always featured predominantly in Peugeot research and development programmes, the 505 range is no exception. With fuel consumption figures\* at a constant 56 mph, of 39.8 mpg for the carburettor models and 38.2 mpg for the injection STI, main service intervals of 10,000\*\* miles, an engine diagnostic plug, removable cylinder liners\*\* and the use of expensive long life components underline the manufacturer's policy in this area.

And yet the excellent fuel consumption figures have not been obtained at the expense of performance. The engines are powerful; 96 bhp for the carburettor petrol engine with a top speed of 102.5 mph, and the 110 bhp STI fuel injection engine will reach a top speed of 109 mph.

## Comfort

Driver and passengers alike will find that comfort is of the highest level.

Naturally seats have been orthopaedically designed—and the selection of materials used ensures armchair luxury. They are finished in most beautiful fabrics—there's a choice of velours or the very distinctive new style tweed finish, seldom seen in automobiles, and on the STI model, leather is available as an option.†

But comfort is not just a question of seats, their positioning is also most important. The wheelbase of the 505 is extra long, thus enabling both front and rear seats to be positioned in between the wheels, obviously more comfortable than if over them. There's bags of legroom, not just for front seat passengers but for those in the rear seats as well.

The suspension selected is the expensive four wheel independent system ensuring excellent roadholding, whatever the surface.

Seats and suspension are designed to match and engineered to offer a perfect balance of seat and ride comfort.

Sophisticated power assisted steering is fitted on all models (the same system as used on the "top of the range" 604) enabling the driver to enjoy all the benefits that this brings, and yet still retain "a sense of feel".

Heating and ventilation obviously have an important role to play when one considers comfort. The system is new, featuring a variable speed blower, allowing a constant supply of fresh air to the passengers obtained through the vents located in four positions on the dashboard. The heating system has been designed to ensure that in cold weather, front and rear passengers are perfectly comfortable. Tested in extreme conditions in North America, when the exterior temperature was minus 18°C (0°F), temperatures recorded inside at the front and rear were +37.5°C (99.5°F) and +33.5°C (92.3°F) respectively.

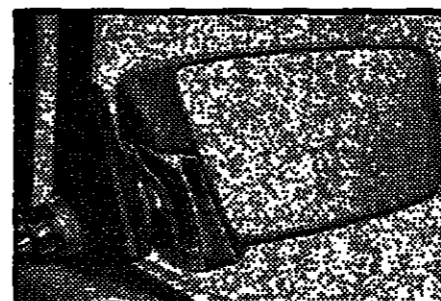
## Inside

A combination of colours and tones come together to offer a most harmonious atmosphere. The anti-dazzle dashboard is beautifully designed and finished. The quality of interior equipment is evident; from the door locks to the new shape gearshift and the seat adjusters, refinement has obviously been the order of the day.

Very little engine or road noise penetrates the passenger cabin. The engine bay bulkhead is fitted with sound deadening moulded rubber-faced foam panels and other sound proofing materials are located around the wheel arches, under the rear seats, in the roof lining and side pillars.

There are no universal joints between the gearbox and the final drive thus eliminating flexing and transmission judder. And on the TI and STI models the engine mountings incorporate an hydraulic valve which filters out vibrations and ensures greater flexibility.

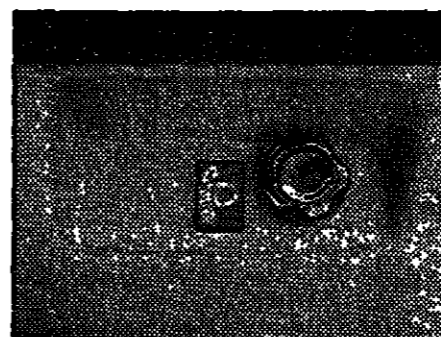
Pictured opposite. Top: 505 SR. Centre: 505 SR interior. Bottom: 505 GR dashboard.



Internally adjustable door mirror.



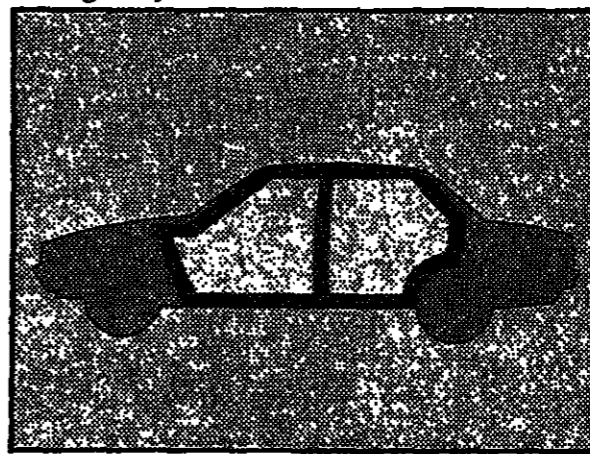
Large glove box with cassette tape rack.



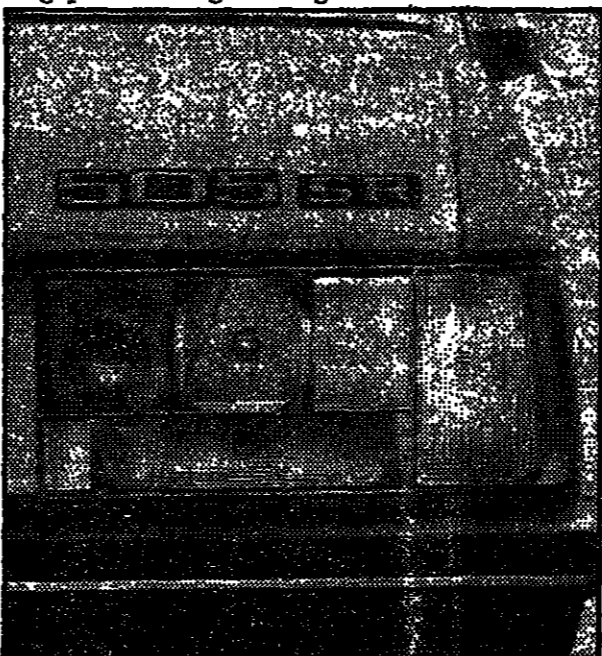
Headlights adjustable from driver's seat.



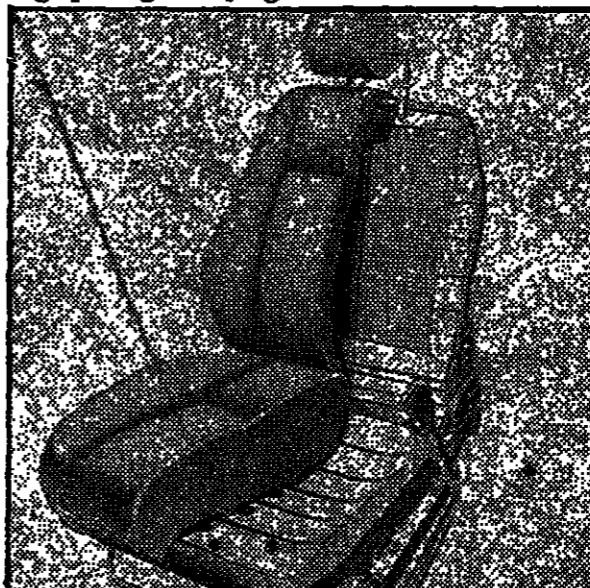
Large powerful halogen headlights.



Rigid passenger safety cage.



Rear light cluster includes reversing lights and high intensity rear fog lights.



Orthopaedically designed seats.

## Engineering

The carburettor GR and SR models use the 1971cc engine that has gained such a fine reputation through years of continuous rally successes.

The injection TI and STI models take a new 1995cc all aluminium engine incorporating the Bosch K-Jetronic fuel injection system. Ignition is from an electronic system ensuring fast starting whatever the conditions.

And the range is complete with the GRD and SRD 2304cc Diesel engine offering incredible economy and robustness.

The 505 is fitted with a four-speed manual gearbox renowned for its fast, easy gear change and reliability; every one is tried, tested and checked for sound levels.

But there's a choice of gearbox too; the STI model features the highly successful five speed manual gearbox that has gained a fine reputation in the 604 TI.

Finally, for those who prefer automatic transmission, the world famous "ZF" system is available on all petrol models.

It's probably in this technical area that Peugeot's fine reputation has been made. Long since the benchmark for others to work to on low engine noise levels, constant work is carried out to maintain and indeed improve this reputation. Calling on almost one hundred years' experience, utilising research and development facilities second to none, employing only the finest engineers and using the highest quality materials and techniques. For example the electric motor for the sunroof is located in the boot, and the motor for the heater fan in the engine compartment, not in the passenger cabin.

## Safety

Numerous active and passive safety features thoroughly researched and tested have been built into the design of the 505—a rigid passenger cell has been constructed, protected at the front and rear with crumple zones—and further protection is ensured for all occupants by the addition of lateral girders.

## Anti-corrosion Treatment

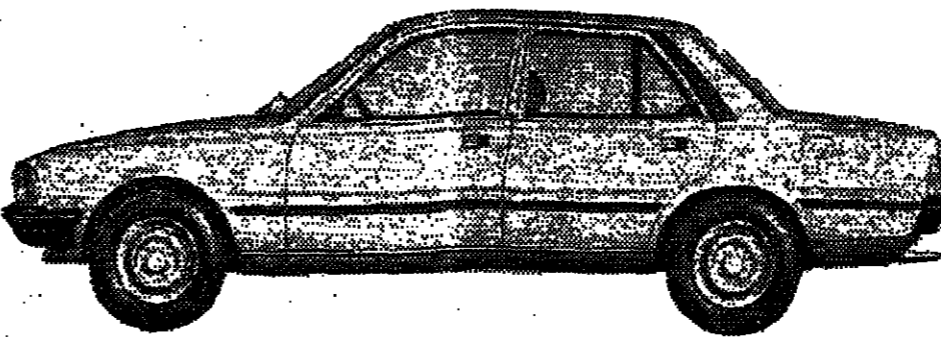
The 505 has undergone intensive anti-corrosion treatment. The main exposed components are zinc plated, and the bodyshell after degreasing is fully immersed in a bath where an electrophoretic system of coating all surfaces with primer is carried out. In addition, bitumen wax is injected into all hollow sections and an anti-gravel product applied under the wheel arches. And finally, the cars are painted in a range of beautiful colours, including the option of metallic finish.

The 505 range has been designed to meet not only today's motoring needs but those for years to come. Its sleek attractive style is classical and does not follow short-lived trends. It's built to last, and it will. It's built for reliability (we've gained rather a reputation for that) but, above all, it's built for pleasure—to give you the pleasure of driving. Any of our 250 dealers nationwide will be pleased to tell you much more about the 505—we've just too little space—or for further details just send us the coupon.

Finance and leasing facilities available from Peugeot Finance. Anglo-French Finance Company Limited.

†Petrol consumption figures in accordance with official Government Testing Procedures. (Manual transmission only)  
 ††When ordered with metallic finish and automatic transmission.  
 \*\*Petrol models only.

At a constant 56 mph (90 km/h)		At a constant 75 mph (120 km/h)		Combined urban & highway	
GR/SR	39.8 mpg (7.1 l/100km)	GR/SR	31.1 mpg (8.7 l/100km)	GR/SR	24.9 mpg (11.4 l/100km)
TI	38.2 mpg (6.7 l/100km)	TI	27.2 mpg (8.4 l/100km)	TI	25.8 mpg (10.8 l/100km)
STI	38.2 mpg (6.7 l/100km)	STI	30.4 mpg (8.1 l/100km)	STI	23.8 mpg (10.1 l/100km)



Prices GR—£5,781, SR—£6,250, TI—£6,350, STI (5 speed)—£6,820, GRD—£6,531, SRD—£7,000. All prices inclusive of VAT and Car Tax—Delivery and number plates extra. Prices correct at time of going to press.

I am interested in the 505 range. Please send me details.

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# THE PROPERTY MARKET BY MICHAEL CASSELL

## Property investment to treble? 'Growing interest in W. German market

INSTITUTIONAL investment in property is set to rise nearly threefold over the next five years, according to the latest set of projections from the Henley Centre for Forecasting. The Centre says that institutional property investment this year should reach about £1.35bn against £1.13bn in 1978, although it accepts that this forecast might prove slightly optimistic, even though it implies that property will account for only 14 per cent of the total rise in funds available for investment of all types.

In a set of forecasts which will not be universally accepted, Henley reckons that by 1984 institutional investment in property will have reached around £3.4bn. It says that the absence of significant growth in property holdings by the institutions over the past 12 months partly results from the reluctance of fund managers to purchase prime sites at current yields and from their refusal to consider buying secondary properties.

According to Henley, however, there are now signs that "not quite prime" sites are gaining in respectability and that, in any case, the volume of funds available for investment is obliging growing numbers of managers to examine the secondary market more carefully. Prime sites in so-called secondary centres are at long last creating institutional interest, the Centre claims.

There will be many in the property world, not least the fund managers themselves, who will disagree and say that the

### MEPC's Oxford St. 'bonus'

relative shortage of good investment opportunities will not inevitably drive hoards of exasperated portfolio managers into the type of deal which they have so far steadfastly refused to entertain.

An obvious choice will be to extend overseas investment interests. Though the general reaction in the property world to the abolition of exchange controls implies that their final removal will not in itself prompt an outward flood of money, the new freedoms won over the past few months—with portfolio investment barriers beyond the EEC remaining until the very end—are bound to lead to a reappraisal of portfolio strategy.

On prospects for rents, Henley predicts that for both shops and offices they will continue to show positive real growth between now and 1984.

IT SEEMS the people at MEPC are not among those who have something less than flattering to say at the moment about Wallis Fashions—which is at first sight surprising in view of funds available for investment. But the retailer's recent decision to back out of plans to become the major space occupier in MEPC's "West One" Oxford Street development, now underway.

No developer like the lynchpin to his development removed before it has hardly got it off the ground but, in the event, MEPC does not seem too unhappy.

Wallis had signed up for

Henley also has something to say on yields. It points out that many are now at a historically low point—some would say unrealistically so—but suggests that further falls are on the way. Its bullish forecast is based on "the projected pattern of institutional investment and on weight of money arguments."

But if the Centre largely ascribes the recent lack of growth in institutional property investment to low yields, how can it predict a major surge in future property investment and, at the same time, forecast even lower returns to come? It remains to be seen whether the sheer weight of money (admittedly boosted annually by inflation) and a move into secondary properties brings about the type of increase in institutional property investment which Henley clearly expects.

THE WEST GERMAN commercial property market could be in for some close scrutiny by those UK institutions running out of places to put their money. In the week that German interest rates rose, a new analysis appeared of the current climate and outlook for property investment in Germany, which could make interesting reading to many investment managers and property companies.

What revival there has been in European property markets on the part of UK funds has been largely confined to Holland, Belgium and France, but there are signs that some institutions have been taking another look at West Germany, which has not, in the past, been particularly successful for the British.

In its latest report on the West German market, UK agent Weatherall Green and Smith says that despite worries about the economic situation in 1980, it is confident that the market will continue to perform well during the next 12 months.

The agents say that most of the scars left from the economic downturn in the mid-1970s have now healed and that in many city centres there is little good space left. Nearly all the projects conceived in the early years of the decade have been let or sold, says Weatherall.

"The conditions necessary for the upturn have been evident for some time. The economy

remains the envy of most industrialised nations and the Deutsch Mark continues to outpace the dollar, sterling, the French franc and the Dutch guilder."

The upward movement in rents in most centres, in the wake of a steady take-up of space, has been most marked in Frankfurt and Munich, where considerable oversupply stemming from the early 1970s has gone. Little new accommodation is due to come on stream with the next 18 months.

According to Weatherall's survey, rents for top offices in the centre of Frankfurt now range from DM 25 to DM 30 a sq metre per month. In Munich top rents range from DM 18 to DM 22.

The upturn in the Munich market has enabled developers such as Bernard Sunley, Heron and Haslemere to complete letting programmes and sell off created investments, while Miller Buckley have disposed of their scheme to the Stadt München for owner occupation.

On retailing, Weatherall reports a buoyant market in virtually all sectors during the past 12 months with "incoming retailers increasingly willing to pay substantial premiums to outgoing lessees."

Values, however, naturally vary: "Whereas a standard unit rental of between DM100 and DM150 a sq metre might be considered maximum in Frankfurt, higher figures have been paid in Hamburg and Munich."

## LT goes Dutch

BREDERO, the Dutch property development group, is to partner London Transport in the redevelopment of Hammersmith Broadway.

Under the plan, the six-acre site adjoining Hammersmith Flyover, will be developed to provide 600,000 sq ft of offices over a new bus station and garage, together with an interchange for the railway system. In addition, 40,000 sq ft of shopping and community facilities will be built.

Bredero is to provide finance and project management for the scheme, which is unlikely to get off the ground for at least another year.

The Dutch group's involvement marks another step forward in its plans for expansion in the UK. Bredero hopes to double its annual turnover in this country to around £10m "within a few years."

"After something of a false start in Edinburgh, the group switched its first UK office to Aberdeen, where it is now involved in a number of housing projects."

It already has Aberdeen's central area redevelopment scheme lined up for a start in 1980 or early 1981 and also hopes to start work on a shopping development in Epsom next year.

The group's Dutch turnover in Holland should reach £47m this year and by 1980 expects to be doing as much work abroad as at home.

### IN BRIEF

● The Merchant Navy Officers' Pension Fund, in conjunction with City and Continental Holdings have purchased the freehold on Quadrant House, Pall Mall, SW1, for £2.25m from Union Property Holdings (Investments).

Development is shortly to start behind the existing facade on the construction of a new office building with a net lettable area of 35,000 sq ft on nine floors. There will also be four shops and completion is planned for 1982. The let scheme is expected to have a freehold capital value of over £9m.

Lambert Smith acted for City and Continental and St. Quintin represented the fund. Both have been appointed joint letting agents.

● Rossetti Shoes Spa has acquired the lease on 177, New Bond, St. W1 for £175,000. The property has a total ground and basement area of 2,200 sq ft on a £33,500 per annum lease running until 1986, subject to a rent review in 1982. Smith Meisack represented vendor H. Huntsman Holdings.

● Great Portland Estates' new 15,500 sq ft office and industrial development on the corner of Worship Street and Paul Street, EC2, has been pre-let to Lambert Brothers Shipping, part of Hill Samuel, at an overall rent of £126,000. The industrial space has been sub-let to Real Time Products. Jones Lang Wootton acted for Great Portland and Howell Brothers advised Lambert Brothers.

● Builders Amalgamated, part of the Trafalgar House property division, currently one of the most active developers in the UK—has completed its 23,760 sq ft office block in Upper Richmond Road, Putney and let it to Bowater and Mohawk Data. Builders Amalgamated is involved in office, shop and warehouse developments worth over £30m and located throughout the country.

Trafalgar House is now pursuing its highest ever level of development activity, with the emphasis on sales rather than retention for its own portfolio and in-house funding. Considerable attention is also being paid to overseas opportunities, which have not so far been taken up.

**INDUSTRIAL**

**Radlett, Herts**  
Exceptional new warehouse  
44,500 sqft. To let

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Modern warehouse/factory  
24,770sqft. To let

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**EC4 4,200sq.ft.**  
First floor refurbished

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Long lease

**EC1 1,150sq.ft. Self contained**  
Refurbished

**EC2 960sq.ft. Third Floor**  
Close to Liverpool Street

**WC1 825sq.ft. Fourth Floor**  
Long Lease

For further details concerning these and other properties, please apply to Richard Ellis, Chartered Surveyors 64 Cornhill, London EC3V 3PS Telephone: 01-283 3090

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4890—40 000 sq ft  
Rent from £1.70 per sq ft exclusive

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Northampton Development Corporation  
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Telephone Northampton (0604) 34734

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**CHELMSFORD**  
New Warehouse/Factory  
20,535 sq. ft.  
TO LET  
£46,200 p.a.

**EAST LONDON**  
Freehold Ind. Development Site  
With Planning Consent  
Nearly 4 acres  
FOR SALE

**GUILDFORD**  
Factories/Warehouses  
From 5,700 sq. ft.  
Under Construction  
TO LET

**HAYES, MIDDLESEX**  
First Floor Factory  
5,800 sq. ft.  
TO LET

**MAIDSTONE**  
Warehouse/Factory Units  
700-35,000 sq. ft.  
Shortly to be erected  
AVAILABLE ON LEASE

**POTTERS BAR**  
Warehouse Premises  
12,242 sq. ft.  
LEASE FOR SALE  
IMMEDIATE OCCUPATION

**SWINDON**  
Factory/Warehouse  
36,000 sq. ft.  
TO LET  
IMMEDIATE OCCUPATION

**WOOD GREEN N22**  
Factory with offices  
and showroom  
32,600 sq. ft.  
FOR SALE — FREEHOLD

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Chartered Surveyors  
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**Number 12**

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**105,000** sq. ft. - SELF CONTAINED WAREHOUSE WITH 5,000 sq. ft. OF OFFICES TO LET

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is seeking to dispose of approximately

**15 ACRES**

of prime industrial land for

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at the Holywell Industrial Estate, Watford

Interested developers are invited to obtain a copy of the Development Brief from: Mr. A. Curtis, Dept. of Technical Services, Town Hall, Watford, Herts. WD1 3EX Watford 26400 ext. 388

R. B. McMillan Esq., LL.B.  
Chief Executive & Town Clerk  
Town Hall, Watford

By order of Barclays Bank Ltd.

**FOR SALE BY TENDER**

The Freehold Commercial Property  
**43 HIGH STREET WICKFORD-ESSEX**

**TENDER DATE-10th DEC. 1979**

Details from  
**The James Abbott Partnership**  
15/17 Alexander Street  
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Tel (0702) 330073/6

**Abbott**

**SWINDON**  
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102,000 sq. ft. FACTORY TO LET

FULLY FITTED  
POSSESSION JANUARY 1980

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Self contained Office Building  
9,283 sq ft  
6 car spaces  
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By Direction of National Westminster Bank Ltd.  
Former Banking Hall  
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Essex  
42-year lease from March 1963  
For sale by tender  
Closing date Noon 15th January 1980

**Taylor & Co**  
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7/14,265 sq. ft.  
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هكذا من الترحيل



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**Air-Conditioned Offices  
2,000-6,100 square feet**

**TO LET  
on the  
SIXTEENTH FLOOR**

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By order of THE SECRETARY OF STATE FOR THE ENVIRONMENT  
AND THE GREATER LONDON COUNCIL

## THE EFFRA SITE Vauxhall Bridge, London SW8

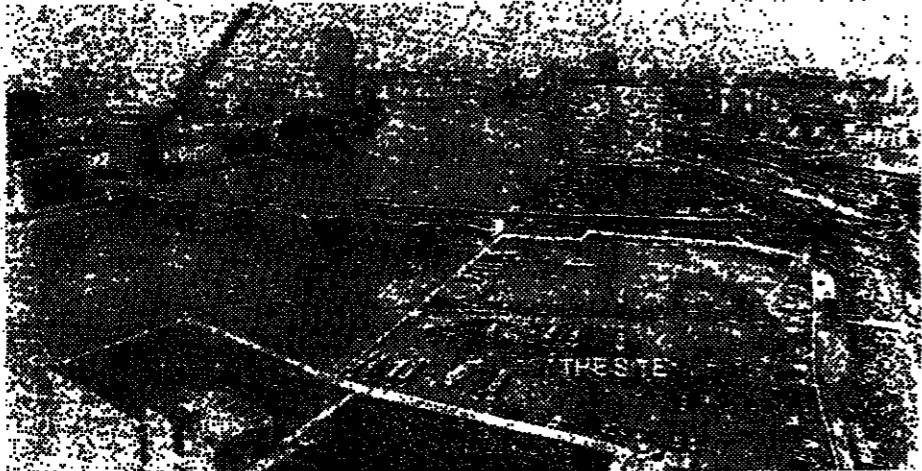
### FREEHOLD RIVERSIDE SITE For Sale By Tender

Closing Date 23rd January 1980

This prominent site with an area of about 5.40 acres, has an extensive frontage to Bridgefoot, Wandsworth Road and the River Thames, and is located adjoining Vauxhall Underground Station (Victoria Line) and facing the Main Line Station.

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Offices: Public Open Space and Other Uses.



Tender Documents obtainable from Vendors' Agents.

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3,000 to 40,000 sq. ft.,  
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# Telford

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THURSDAY 6th DECEMBER 1979

At the London Auction Mart, Fur Trade House, London, E.C.4.  
Commencing at 2.00 p.m.  
(unless previously sold)

BY ORDER OF FRIEND'S PROVIDENT LIFE OFFICE

### Freehold & Leasehold Investments

Comprising some:  
41 SHOPS, 2 SUPERMARKETS, A BANK,  
AN OFFICE BLOCK, 4 INDUSTRIAL UNITS,  
2 WAREHOUSES & A PETROL FILLING STATION

and situated at:  
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FLEET, HAYES (Middx.), HAYMARKET S.W.1, NORWICH,  
KINGSBURY N.W.9, LEICESTER, PORTSMOUTH,  
SOUTHEND-ON-SEA, STAPLE HILL (Bristol),  
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Joint Auctioneers:  
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### FREEHOLD INVESTMENTS 31 DOVER STREET LONDON W.1.

Two shops and four floors of offices situated close to junction  
with Hay Hill and Grafton Street in the heart of Mayfair.  
Entirely let and currently producing

per £57,330 Annum

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Burrington Arcade,  
72/76 Old Christchurch Road

Twelve modern shops with showrooms and  
offices. Entirely let and producing £27,535 p.a.  
with valuable rent reviews and reversions from  
1980.

#### GREAT YARMOUTH

The Brunswick, 149 King Street.

Licensed premises, restaurant and offices. Let  
at the low rent of £15,000 p.a. with frequent  
rent reviews from 1981.

#### WARRINGTON

11/13/15 Buttermarket Street

Three modern shops in excellent retail position.  
Entirely let and producing £23,600 p.a.  
with substantial rent reviews and reversions from  
1981.

#### WEMBLEY

Pearmak Works, 6 Beresford Avenue

Extensive factory premises (over 20,000 sq. ft.)  
within 150 yards of the North Circular Road.  
Entirely let at £37,500 p.a. with frequent rent  
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Auction to be held at THE LONDON AUCTION MART, 25 Little Trinity Lane, London EC4

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City of London 118 Old Broad Street London EC2N 1AR  
Amsterdam, Brussels, Glasgow, Jersey, New York, Paris

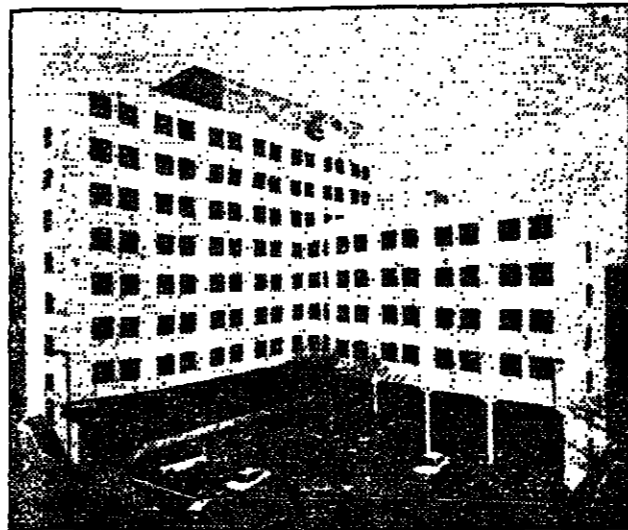
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House**  
BOURNEMOUTH

## Offices

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14,460 sq. ft.

Air-  
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ENTIRE BLOCK ADJOINING BRANCH LIBRARY  
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*Profit from Humberts' advice*  
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All services and own water supply. Moorway access to all points  
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opportunities  
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Alwyn Estate,  
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Why?

- Numerous industrial sites
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See how the Alwyn & Deodda  
Area is being developed by  
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Still seeking small investments for  
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Prompt inspection and decisions.  
Not residential and preferably south  
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JACK MENDOZA, F.S.V.A.,  
with 45 years' practical experience  
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TO LET  
LAST SHOP UNIT IN  
MULTIPLE PARADE  
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Good Display  
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## BLOCK OF 16 FLATS FOREST HILL S.E.23

V/P OF 6 UNITS  
REMAINDER LET  
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9 UNITS  
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## Blackheath, London, SE3 AN EXCEPTIONAL GEORGIAN RESIDENCE/OFFICES.

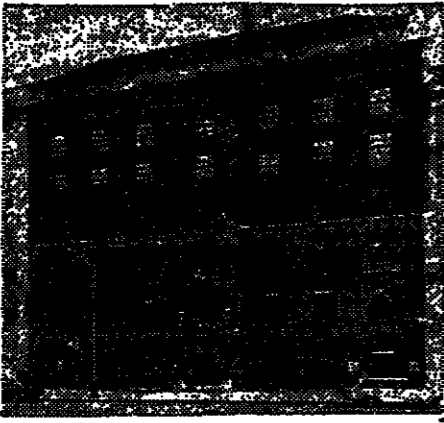
Spacious 3-storey property with  
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lower floors.  
Freehold for Sale by Tender.  
For further particulars  
Telephone 0689 39531

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Offering about 1,000 sq. ft., plus  
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Together with offices and flat  
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By Order of The Confederation of British Industry  
 THE MAJOR OFFICE BUILDING  
**No. 21 TO THILL ST.**  
**London SW1.**

Located close to Whitehall and Victoria Street  
 near St. James's Park Underground Station



Vacant possession of approximately  
**66,850 sq. ft.**

Suitable for refurbishment

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 for use as their  
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**Ideally within a 20 mile radius  
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**WORCESTER  
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Industrial/Warehouse units  
 2,000 sq. ft - 150,000 sq. ft.

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**NEW CROSS  
 Single Storey  
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18,500 sq. ft. approx. 24 ft. eaves.

will divide 8,200 sq ft/10,300 sq ft  
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 Prestige  
 Modern  
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 9,800 sq ft  
 Scope for Expansion  
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 or may Let**

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6,400 SQ. FT. NET  
**BISHOPSGATE HOUSE**  
 5/7 FOLGATE ST.,  
 BISHOPSGATE, E.1.  
 LIFT TO ALL FLOORS  
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 £8 per sq. ft.  
**MR. SHELDRAKE**  
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**FREEHOLD FOR SALE  
 OFFICES CONVERSION  
 CLOSE ALDGATE, E.1.**  
 Planning approved Sept. '79.  
 13,000 SQ. FT. GROSS  
 £150,000 O.N.O.  
**MR. SHELDRAKE**  
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24,400 sq. ft. EC2  
**TO LET**  
 Self Contained Building  
 Lift, Central Heating  
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Adjacent M5, Exit 2  
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 NEW UNITS  
 IMMEDIATELY AVAILABLE  
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PROPERTY COMPANIES: Investments of Real Estate Property, Commercial or Residential, are available through our London office. Agents retained: Sirivis Box 1-1510, Financial Times, 10, Cannon Street, EC4P 4BY.  
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**9.5% RETURN ON CASH  
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 Price: \$800,000 less \$350,000 primary lien  
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Recently occupied by Barclays Bank Ltd.  
**TO LET BY PUBLIC TENDER**  
 (unless previously let)  
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 Amenities  
 ● Self-contained air conditioning system  
 ● Full Bank fittings in situ ● Strong Room - Bullion Lift  
**BANK/SHOWROOM, RETAIL USE ETC.**  
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**City of Glasgow District Council**

**TO LET  
 INDUSTRIAL**

**EASTER QUEENSLIE INDUSTRIAL ESTATE**  
 Remaining new factory/warehouse unit of 10,000 sq. ft. Available for immediate entry. This unit may be let with a rent-free period and/or at a reduced rental over the initial period of the lease. Adjacent to motorways. Ample car parking. (REF JLM.)

For further particulars contact:  
**CITY ESTATES SURVEYOR  
 SUN LIFE HOUSE, 116 WEST REGENT STREET  
 GLASGOW G2 2RW. Tel: 041-332 9700**

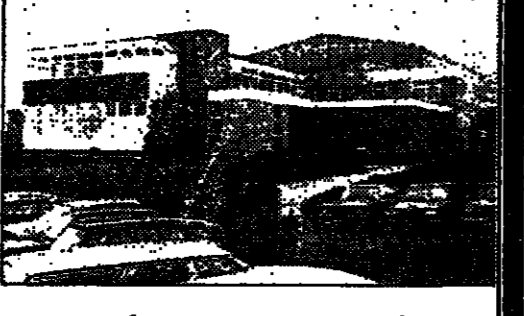
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We are tired of our modern office box and want something more distinguished.  
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 12,000 square feet of luxury offices in rural surroundings plus 4 acres of grounds, swimming pool, tennis courts and lake. In the North Kent, Surrey or Sussex area (near M25).  
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 We are prepared to acquire an existing office, convert a derelict mansion or even build from scratch.  
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 Modern Single Storey  
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 85,500 sq. ft.**  
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**7-38 Acres  
 FOR SALE**  
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**POTENTIAL OCCUPIERS**

for the development of sites of between 1-2 acres on long leases at geared ground rents  
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Nicholas Leslie on a Government-backed scheme to bring industry to mid-Wales

Nurturing of business talent in the Welsh outback

MANY PEOPLE now aspire to a life in the wilds of Wales, away from the pressures of the big cities...



Mansell and Anne Griffiths in their studio, and (above) Terry Coverdale taking part in the New Enterprise Programme...

Crafts are none the less an important feature of the economic life of mid-Wales...

felt, since holiday traffic had been increasing over the years. But there were aspects of business he was unsure of...

wife Anne—a fashion designer, —run a business making co-ordinated ranges of kitchen accessories...

will be the best route to take. She is currently considering whether to set up premises and employ people...

Two of the craftspeople to go on the course have been Mansell Griffiths, a fabric designer, and Terry Coverdale, a knitwear designer.

The area about which Griffiths felt most confident was, not surprisingly, in view of his background, marketing...

Terry Coverdale falls into a slightly different category of fostering by the development board: young people not long out of college or school who can be encouraged to stay in the area...

Statistics in any country show that there is a high failure rate among new businesses. With the board's involvement in the crafts industries as well as manufacturing and other industries...

What Irish managers can teach the rest of us

BY MICHAEL DIXON

HAVE YOU heard about the Irish census? For every 100 people who had been counted, 106 were really there.

which the IMI has steadily extended since its formation 27 years ago. At first we did little more than put it around that people did not have to be born good managers...



Is Sean the one who goes out twice for every time he comes in?

To casual observers from elsewhere, Southern Ireland might seem ill equipped for further advance as an industrial nation. The roads are inadequate, the telephone system is primitive...

Now, the IMI offers a comprehensive range of courses, long and short, general and specialist, for senior, middle and junior managers. Programmes are run in companies' own premises...

Any such speculation, however, would meet valuable resistance from the Irish Management Institute in Dublin, which can quote international evidence to support its opposing view.

Asked to account for this strong and continuing support by companies, Ivor Kenny pointed to Irish management training's humble origins. In the UK, the training effort was rapidly expanded and elaborated amid the economic optimism of the 1960s...

in the stringent 1970s has probably been overdone. Unlike Britain, we couldn't afford to set up about 80 management centres, said the IMI director general.

U.S. executives slam export promotion

THE UNITED STATES does the worst job of any major industrialised nation in promoting its exports, according to the typical vice-president for International business in U.S. corporations.

Japan was best at promoting its exports and only 6 per cent named West Germany as best although half those questioned put it as their second choice.

believed the economic status would be maintained. According to Egon Zehnder, the typical executive questioned in his survey is: Vice-President International of an industrial products and services company with annual sales of \$245m.

More management skills needed to help growing companies

IN ITS 21 years' existence, the Development Board for Rural Wales has moved fast towards its objective: helping establish more industry within its region.

In all, Skewis reckons that about 1,500 new manufacturing jobs have been created, with many of them being filled by people who have moved into the area from outside Wales.

be of a size that the creation of a management layer below the owner is necessary, but some will be before long.

(and managers) into the region, on the assumption that there is a good chance of their growing faster than the average small company, thus creating indigenous management opportunities that much more quickly.

Advertisement with large text: "Key Engineers make or break a company" and a dark background image.

In the early '70s senior managers in the Engineering Industry recognised a shortage of young manufacturing engineering potential. Since then, in its Fellowships in Manufacturing Management the Engineering Industrial Training Board has proved that...

Large advertisement for Burger King. Text includes: "The chance to make a fast and handsome profit—as a Burger King\* franchisee.", "HOW TO MAKE A MINT OUT OF A BURGER.", "And when you consider the increasing impact of fast food on the European and British markets..."

LOMBARD The proper role for the D-mark

BY DAVID MARSH FOR A year now, the world's major central banks have been operating nothing less than a system of exchange rate targets for the relationship between the dollar and the European Deutsche Mark bloc.

Strategy But there are signs that the longer term consequences of the November 1 action taken last year still have not been properly thought out either by the West Germans or by the Americans.

Victim of Sir Keith's axe

BY ROBIN REEVES

FOUR MONTHS after the announcement, Wales is still digesting with considerable unhappiness the cutbacks in regional development policy announced by Sir Keith Joseph, the Industry Secretary.

Compensation for Lorelene

LORELENE, WHO did not have the best of passages in the Cesarewitch last month, looks to be the one they will all have to beat in the Haddenham Handicap on a return to the Rowley Mile course this afternoon.

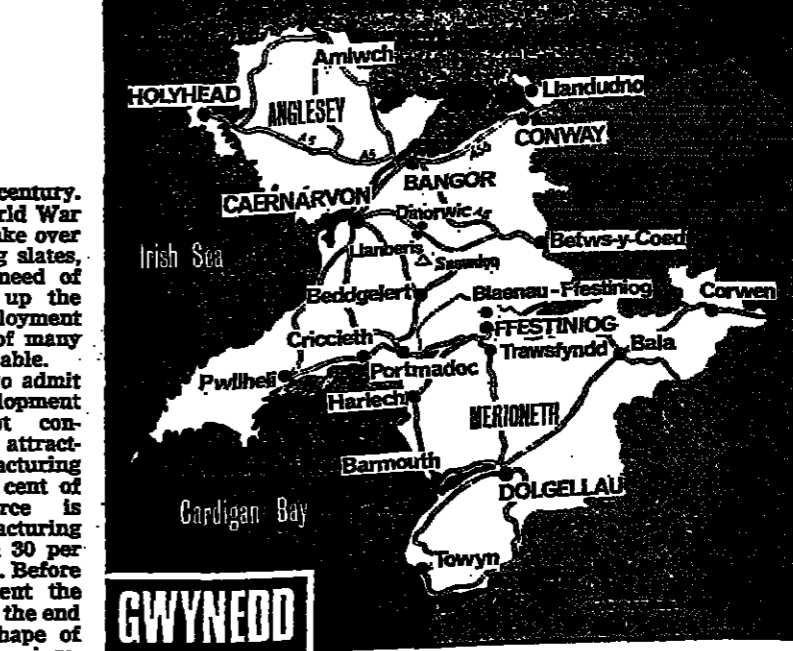
TV Radio

- 4.40 Hong Kong Phooey. 4.55 Crackerjack. 5.35 Paddington. 5.40 News. 5.55 Nationwide (London and South East only). 6.30 Nationwide.

F.T. CROSSWORD PUZZLE No. 4,115

Crossword puzzle grid with clues: 1. Notice simply put in order (6). 4. Has Ted eaten? Possibly, though he has nothing to bite with (8).

Radio Wavelengths table listing frequencies for various stations: 1. 106.3kHz/285m, 2. 89.7kHz/333m, 3. 121.5kHz/247m, 4. 92.5kHz/325m.



As a result of deliberate policy, well over half of the project's workforce, totalling more than 2,300 men, were recruited locally.

ENTERTAINMENT GUIDE

Entertainment guide listing theatres, operas, and radio programs: OPERA & BALLET, THEATRES, OPERA & BALLET, THEATRES, OPERA & BALLET, THEATRES.

Large advertisement for 'The Guise' featuring a portrait of a man and promotional text.

Handwritten text at the bottom of the page: 'مكتبة الأمل' (Library of Hope).

THE ARTS

Cinema

Americans in Wigan by GEOFF BROWN

Yorks (AA) Odeon Leicester Square
Wey Home (AA) Academy Cinema Three
Bill (X) Cinecena, Odeon Kensington, Odeon Westbourne Grove
Rich Kids (AA) Odeon Haymarket
Prophecy (AA) ABC Shaftesbury Avenue

England's at war again. In the cinema, that is: weeks after the risible disaster of Hammer Street comes another tale of Home Front love. But Yanks, directed by John Schlesinger and written by Colin Welland and Walter Bernstein (both of whom, as a Lancashire lad and and GI respectively, had first-hand experience), is predictably superior. For one thing, the film's conception of England at war extends further than the cosy interiors of Belgravia and country pubs. A few aristocrats slip by in the Lancashire town where Yanks is set, staring at the American camp through binoculars; Vanessa Redgrave's character, rather isolated in the narrative, lives grandly in a country house. But the bulk of the people are working class: mothers queuing and arguing for their rations; kids searching for fun and running errands. And the heroine Jean (played with modest grace by Lisa Eichhorn) is the humble daughter of shop owners, who falls for the visiting American sergeant, Matt (Richard Gere), though all expect her to marry likeable local lad Ken, fighting elsewhere.

This central situation is almost trite, yet it brings about scenes of considerable penetration and force, as when Jean's mother (Rachel Roberts), wearing by illness, ascribes all blame for Ken's death in action to the pillandering of "the Yank" and her wayward daughter. But the film's resonance is intermittent. At times it is hard not to be reminded of those HoVIS adverts on television, where old Northern voices recall their childhood experiences of the wonder loaf to the sound of a brass band. For something of the same calculation, the cultivation of a nostalgic image, infects and weakens the film. Even sequences like the New Year celebrations, where racial tension among the Americans explodes after a black soldier performs some hearty dancing with a local girl, fail to be as raw and uncomfortable as they should be. It's as though nothing must interfere with the meticulous depiction of the Home Front's daily round: the cinema visits (with organ solos and Movie-tone News), the funny stumblings in the blackout, the romantic bicycle rides and night-seeing—and, constantly in the background, the laconic retorts of the locals, grumbling but

"making do" in the time-honoured way. Yanks was obviously made with great care, but it's the kind of care that can stifle the life right out of a film.

Cinema of more modest—and startling—proportions is featured at the Academy, which is mounting the first complete showing of Bill Douglas' autobiographical trilogy, made throughout the 1970s with the assistance of the British Film Institute Production Board. The film now to general audiences is My Way Home, finished in 1978; it takes the story of Jamie (Stephen Archibald), the forever-frowning lad from a small Scottish mining village, into the 1950s. Returning from a children's home at his father's insistence, he soon drifts away from his loveless environment, ending up far away from cobbled streets and slums with the RAF in Egypt, though the loneliness and frustration remain.

Like the previous films, My Way Home is in black-and-white—a fact Bill Douglas once explained by saying: "Maybe someone went down the village street wearing a bright red scarf, but I don't remember it." This is not the nostalgic North of Yanks: the black-and-white images make the streets look bitingly cold and empty. And Douglas' style of direction parallels the rigour of the photography. He looks squarely and unflinchingly at his deprived, battered characters: Jamie sitting before a Christmas meal, hand against face, bolstering an expression of complete despondency; his grandmother shuffling with hands and feet bizarrely wrapped in bandages and safety pins.

Once Jamie arrives in Egypt the bleak individuality of the images continues, though the grimy buildings are replaced by expanses of dazzling sunlight and sand. Here Douglas' hero, partnered by the aristocratic Robert (Joseph Blatchley); begins his slow journey away from rage and despair. My Way Home only lasts 72 minutes, and is one of those rare films that demand and reward all your attention.

Another harrowing childhood occurs in Sybil, which relates the true story of a multiple-personality case famous enough to be mentioned in Monday night's episode of The Rockford Files on BBC. Sybil, in fact, was made for American television in 1976 and directed by Daniel Petrie, a veteran of the small screen. The narrative shows the medium's usual tendency to lurch forward clumsily after each segment's climax—and the break-for-adverts. But there is little computerised flashiness about the direction. Indeed, the film almost has a theatrical air with its emphasis on the intimate; complex exchanges between psychiatrist Dr. Wilbur



Richard Gere and Lisa Eichhorn in 'Yanks'

Joanne Woodward, radiantly sincere) and the dozen or so personalities of the beleaguered Sybil (Sally Field).

The script has its imperfections: we learn insufficient details about the mother who subjected Sybil to live through nightmares of cruelty (in one she is blindfolded, bound hand and foot, and hoisted up on a pulley into the black hole in the attic). But the performances are strong enough to override them, and Sally Field magnificently takes care of all Sybil's contrasting personalities, whether dowdy or chic, boisterous or cowed.

Prophecy, an ecological horror story directed by the continually erratic John Frankenheimer, is equally shallow, though it wins some points for its early dissolve from a dark forest full of monstrous happenings to the heroine Talla Shire playing the cello in a Brahms symphony. But culture is cast aside when

she and her doctor husband (moonlighting for the Environmental Protection Agency) investigate a Maine forest full of proud, hostile Indians and water rich in fish contaminated by a nearby paper mill. The script has its pretensions, yet this is really just a high-class equivalent of exploitative shockers like William Girler's Day of the Animals: not so ludicrous, and far less enjoyable.

Finally, before the London Film Festival descends upon us, a brief word about two other events. The enterprising Oxford Film Festival is featuring a batch of recent Russian films, beginning on November 3 and including works by Tarkovsky, Bondarchuk and Mikhalov. Not to be outdone, Cambridge has resurrected its Animation Festival, last heard of in 1969 and much missed. This runs from November 9 to 14: ten of its programmes will feature the uncharted history of British animation from 1895 to the present.

Frankfurt City Opera

Lulu by ELIZABETH FORBES

Now that the ice has, as it were, been broken, productions of the complete three-act version of Alban Berg's Lulu follow each other thick and fast. At the Frankfurt City Opera, Harry Kupfer has staged the work with a sobriety that may surprise those who know his opera-goers who only know his production style from the Welsh National Opera. His Lulu is sober, yes, but very far from austere: within the huge, semi-circular conservatory—the Palm-house at Kew done over in Jugendstil—designed by Peter Szykora, Herr Kupfer maps out the rise and fall of the protagonist with lavish invention, all of it strictly illuminative of the Wedekind texts from which Berg drew his libretto.

The imaginative costumes, by Reinhard Heinrich (brother of the late Rudolf Heinrich who designed ENO'S Salome), also play their part in elucidating the tragedy. Lulu is frequently dressed or undressed in full view of the audience: she has not only a stunning new outfit, but a different hair-style for each new husband or lover. The policemen who arrest her after the murder of Dr. Schön tear off her elegant gown; two waitresses put on the prison

garb and shorn wig. Lulu's Pierrot portrait undergoes similar re-dressing, its apogee an ornate frame to match the riot of gasoliers and potted palms in Dr. Schön's salon. During the interlude between the two scenes of the second act, Countess Geschwitz's complicated escape plan for Lulu is acted out; having exchanged knickers in Lulu's prison cell, the two women swap their outer clothing in the isolation hospital. For the scene in Paris which opens the third act, the gaming table spins like a roulette wheel, the gamblers too intent on their play to heed the various conversations going on around them. In London, at the very depths of her degradation, Lulu takes her clients down through a trapdoor; after she has been knifed, by Dr. Schön in the persona of Jack the Ripper, she crawls out to die, not in the arms of Geschwitz, also stabbed, but of Schigolch, her father-figure.

Slavka Taskova sings Lulu's taxing music with almost contemptuous ease and security: she gives the impression, so vital, that Lulu's behaviour is entirely natural and instinctive, whether stuffing a cushion between her legs and howling

with rage at the news of Dr. Schön's engagement, or twining her arms possessively round his neck as she dictates the letter breaking off that engagement. Dieter Weller acts the part of Dr. Schön (and of Jack the Ripper) to powerful effect: at the performance I heard he was vocally unwell and Günter Reich sang the role from the side of the stage. Jean van Ree makes an excellent Alwa, a role that has gained much in interest from the addition of the third act.

Dunja Vejzovic combines dignity and pathos as Countess Geschwitz, while Margit Neubauer deftly distinguishes her three roles, Theatre-dresser, Schoolboy and Groom, one from the other. As the Painter, Lulu's second husband, and as the Negro, her second client, Walter Raffaele sings with admirable fluency. Bodo Schwanbeck gives strong expression to the animal Tamer and the Athlete. Adalbert Waller is a magnificently decrepit Schigolch. Alfred Vokt offers smooth sketches of the Prince and, in the last act, the pimping Marquis. The conductor is Michael Gielen, who obtains eloquent playing from the Frankfurt orchestra, and shapes the now palindromic score in one long, satisfying curve.

Liverpool Everyman

Prejudice by MICHAEL COVENEY

In a somewhat confused and defensive programme note, David Halliwell admits that his play—which inexplicably won a recent George Devine Award—does not deal with "the social and economic exploitation of racial prejudice." What then does it deal with? Racial prejudice as a form of aesthetic revulsion. This is dangerous territory and for all Mr. Halliwell's shocking attempts at honesty, the approach backfires. As the characters exist only as mouth-pieces, we must conclude that Mr. Halliwell is saying, with one of them, that expressions of hate and distaste form the necessary foundation of a multi-racial community. That, of course, is utter rubbish. Hitler did not hate Jews in order to love them. The National Front has no proposal for an integrated society.

This, I am afraid, is Mr. Halliwell regressing to his bad old "multi-viewpoint" days. We have four actors on a bare

white stage. A white racist landlord who, incredibly, remembers a Bradford without blacks, enlists an Asian girl to pin a molestation charge on a black tenant in order to evict him. Another white tenant perjures himself in court as a gesture of anti-racist solidarity. Under cross-questioning, his evidence crumbles. He did not really see the girl wound herself with the black man's Zulu assegai.

The black man gets five years and his white brother suddenly claims that his slip-up in the witness box is an expression of deep-rooted, hitherto unadmitted, racial loathing. If this is indeed so, there is no point in believing anything anyone says in the play.

So perhaps Mr. Halliwell is just messing around with attitudes. This is borne out in all sorts of ridiculous plot developments, such as the Asian girl fixing the tenant as a prelude to sex with the land-

lord. The fact that Mr. Halliwell fuses his fantasy arguments with real points of reference—the girl who cannot get work, the landlord's fish and chip shop in Wyke, the off-stage arrival of police—only serves to highlight the ludicrous nature of the whole enterprise. The discussion has no logic as the characters have no consistent life.

Alan Aldred and Joe Marcell perform valiantly in a lost cause and Phil Young's direction is appropriately uncommitted and flimsy. Mr. Halliwell's work may be seen to advantage in the current Joint Stock show, obviously a case of company style shaping a writer's creativity.

It is one thing for the new regime at this theatre to have nothing new of its own to offer this season. It is quite another for it to promote old work that is second-rate and, even worse, dangerously irresponsible.



Tom Marshall and Neil Johnston

Theatre Upstairs The Guise by B. A. YOUNG

There is a sub-title. "The suppression of a play and its players," suggesting that as is usual with them, Foco Novo has some current point to make. The play is a real one. Webster's Guise now lost to us, and the circumstances of its suppression by Pryune and agents of the Parliament in 1649 may well be authentic. What David Mowat has done is to show how such actions affected the players, some of them Royalists, some not, but all devoted to the theatre both as an art and a livelihood. No current point is made, however, as far as I can see.

It's an interesting theme, but Mr. Mowat has told his tale so slowly, in so many short scenes, that I didn't find the play as interesting. Both the pseudo Webster and the domestic talk of the players are written in mock Jacobean that does not fall very convincingly on the ear. It is the kind of dialogue we used to hear from Errol Flynn and it does much credit to the company that none of them act in a comparable style but speak their fustian lines

("Do with me what you will!" says the leading actor's wife when threatened with rape) as if they believed in them. Daborne the leader keeps altering Webster's lines to introduce topicality into his production of the play, which deals indeed with the overthrow of King Charles I of England, even then awaiting his fate in prison. Mr. Mowat goes further and gives the company some extra playlets to illustrate how low the contemporary stage has fallen. Director Roland Rees has been unable to keep the constant changes of scene, with music prettily sung and played by Cliff Burnett in between them; from making the evening longer than it will really bear. There is not enough backbone in the plot and many of the episodes have very little to say. I liked the playing of Tom Marshall and Neil Johnson as the principal actors, and of Michael McVey as one of the boy players, who seemed to me very promising. The attractive Jacobean-style set is designed by Adrian Vaux.

St. John's, Smith Square

Sacred and Profane

by ANDREW CLEMENTS

The BBC Symphony Orchestra's winter season at St. John's, Smith Square, concentrates this year on British music, under the title "Sacred and Profane." Britten's part songs of that name appear later in the series; Wednesday's concert included some Britten—the Cantata Misericordium and his edition of the Purcell G minor Chacony—together with Tippett's Divertimento on Selinger's Round and Lennox Berkeley's Four Poems of St. Theresa of Avila.

The conductor was Paul Sacher. Mr. Sacher's prestigious list of commissions for his Basle Chamber Orchestra is well known, but as a conductor he is a rare visitor to Britain. He is likely to be remembered rather more for the part he played in the genesis of many important 20th century scores than for his interpretation of them. Wednesday's performances lacked distinction. The usually accommodating acoustics of St. John's can pose unexpected problems of balance for a large ensemble; the strings of the BBC Orchestra had a fierce, uncultured edge, solo wind tended to flare and spread. Rhythmic niceties (triplet figures in the Berkeley Poems, accompanimental lines in the Purcell) were left to fend for themselves.

Yet chances to hear the Tippett and Britten works at least are rare enough to make the programme worthwhile. The

Divertimento is a cheerful, insubstantial piece from 1953, only characteristic of its composer in the two "visionary" slow sections when the round is combined first with a quotation from Dido and Aeneas, later with part of a Field nocturne. Britten's Cantata is a retelling of the parable of the Good Samaritan; a curious halfway house between a true liturgical cantata and the dramatic presentation that two years later he was to crystallise into the church parables. Sharp-focused singing from Neil Mackie and David Wilson Johnson as the Samaritan and Traveller respectively, some rough corners in the contribution of the BBC Singers.

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Wigmore Hall

Lydia Artymiw by DOMINIC GILL

I thought the 23-year-old American pianist Lydia Artymiw by far the most interesting of the finalists at last year's Leeds Piano Competition, where she eventually won third prize. It seemed obvious at the time (to all except a cautious, mealy-minded jury) that her name should have headed the list and now that I have heard each of the first four prizewinners in London recital, that judgment is abundantly confirmed. At her Wigmore debut on Wednesday she showed herself to be a remarkable young artist, still learning, still growing—but a pianist already of the very first rank.

Her chief musical vice is also the most easily forgivable: to come too close, to think too hard (but perhaps not long enough), from time to time to overwhelm with earnest espressivo a line or gesture that will more eloquently speak simply, by itself. Where to intervene, and where to leave alone, is a complex problem, as much a question of inner consistency as of general rule or taste. In Schumann's Davidsbündlertänze Miss Artymiw's approach was inconsistent, and the delicate dramatic thread once or twice was nearly snapped. That it held firm was a tribute to her artistry; in lesser hands such an overloading of intense sentiments at key points in nos. 2, 7 and 14 might have tipped the

balance of sweetness, soured the whole. But the very energy and conviction of the playing drew us on. There was so much quickness and imagination in it: from the first piece of the set, full of half-lights, gapped colour, sudden surges, to the last, a song of deepest tenderness and resignation. The sonority, like the play of inner voices, was everywhere alive. The central group of Florestan pieces, Nos. 8, 9 and 10, set off a fountain

of sparks; and No. 12 especially, a skirl of skittish good humour beautifully contained, was a delight. Four Debussy Preludes were as quick and fully rounded—even if in "cheveux de lin" she wasn't able to resist a last swell where Debussy expressly marks perdendo. And there was fire in her Chopin finale: a sparkling E major Scherzo, before a splendidly broad and pungent account of the rarely-heard Introduction and Rondo op. 16.

Arts news in brief

Alan Bates is to star in Stage Struck, a thriller by Simon Gray, which will open at the Vaudeville Theatre on November 21. Also in the cast are Sheila Ballantine, Nigel Stock and Andrew Sharp. The play, to be directed by Stephen Hollis and designed by Carl Toms will be at Richmond Theatre for two weeks from November 5 before coming to the West End. The Arts Council has appointed a music director and a dance director to replace Mr. John Craft who retired as director of music and dance in April this year. The decision to make separate appointments was taken because of the growth of dance.

DISCOVER THE UNEXPECTED AT AUSTIN REED.

Advertisement for Austin Reed featuring a large illustration of a man in a suit and tie. Text includes: 'Possibly the finest selection of Chester Barrie clothes to be found anywhere? Chester Barrie suits are hand cut, hand sewn, hand pressed and are made from the world's finest cloths. Prices start from £210. Hat from the Herbert Johnson Hat Shop, Austin Reed, Regent Street, London. You can pay with an Austin Reed monthly or subscription account. We also welcome all major credit cards. AUSTIN REED Regent Street, London and Principal Cities.'

PUBLIC EXPENDITURE PLANS (1980-81)

Labour target slashed by £2.1bn

THE GOVERNMENT proposes to "stabilise public spending for 1980-81. Unlike recent White Papers, the latest one fails to provide any detailed comparison with previous plans. All the Government says is that "even leaving out of account the likely cost of catching-up pay settlements in the public services, their (the Government's) published plans were £3.1bn higher than the spending now planned for 1979-80, on the same constant 1979 survey prices. This is equivalent to the cancellation of Labour's proposals for a 2.1 per cent rise in spending in real terms in 1979-80 and of 2.3 per cent in 1980-81.

If the previous White Paper's figures are adjusted from 1978 to 1979 survey prices—an increase of 1.1 per cent—it appears that spending in the current 1979-80 financial year is likely to be about £2.1bn lower than proposed in January. This is the £3.1bn of cuts announced in the June Budget less the downward revision of expenditure shortfalls in 1979-80 from £2.9bn to £750m. For 1980-81, the difference between previous and current plans appears to be £3.6bn. In the absence of detailed figures, it is very difficult to make comparisons of each programme. But it appears that the big-

gest changes in previous plans for 1980-81 have been in housing—around £1bn or a sixth less than projected in January—and in education where the cutback is about £600m or 6 per cent below previous plans. On a year-to-year comparison, the new White Paper projects a fractional rise in spending from £89.79bn in 1979-80 to £89.53bn next year. However, this is after taking account of special sales of assets of £1.2bn this year and of £500m next year. If these items are ignored, total spending is projected to fall by 0.6 per cent in real terms. The detailed figures show defence spending should rise by

3 per cent in volume terms to £3.06bn in 1970-81 compared with the expected outturn for this year. Other rises are in EEC contributions from an expected £919m this year to £1bn in 1980-81, and in spending on social security payments—up 1.2 per cent to £19.29bn. In contrast, spending on education, housing, roads and transport and lending to nationalised industries is projected to fall. Spending next year on education should be 4.3 per cent lower than this year while housing expenditure is projected to be 5.6 per cent lower.

Three main aims in White Paper policy

THE White Paper states: Public expenditure is at the heart of Britain's present economic difficulties. For a long time now the performance of the British economy has been deteriorating. Over the past five years output has grown less than half as fast as it did over the previous 20 years, and little over a third as fast as in other industrialised countries. Without the contribution of North Sea oil there would have been scarcely any growth in output or productivity at all. Inflation has been at record levels, and has acquired strong momentum. Over the year, public spending has been increased on assumptions about economic growth which have not been achieved. The inevitable result has been a growing burden of taxes and borrowing.

For 1980-81 the previous Government's plans involved a level of expenditure which could not be sustained. Even leaving out of account the likely cost of "catching-up" pay settlements in the public services, their published plans were £3.1bn higher than the spending now planned for 1979-80 at constant 1979 survey prices. To pay for this increase would have required sharply higher taxes or borrowing on a scale which, if possible at all, would mean higher interest rates or an excessive growth of the money supply and more inflation. (The increase in the basic rate of income tax required to raise an additional £3.1bn of revenue is about 5p.) Any of these would damage our growth prospects still further—and, in so doing, the prospects for higher spending on our public services in the future. To limit severely the resources devoted to our public services for the time being is not to deny that many of them need improvement. It is rather

authority expenditure which the Government do not directly control. The present estimate is that the planning total of public expenditure after shortfalls will be about the same as in 1978-79. Capital expenditure on construction, including expenditure by the nationalised industries, is likely to be rather less than £7bn in each of the last three years. Council spending The broad breakdown of local authority current expenditure between services is consistent with the pattern of individual programmes which reflect the Government's view of national priorities between and within services in 1980-81. However, the figures are necessarily tentative since it is for individual local authorities to decide the eventual distribution in the light of local needs and conditions. The planned levels for capital expenditure in 1980-81 are some 8 per cent lower than in 1978-79, and 9 per cent less than the outturn at present estimated for the current year. The outturn of local authority current expenditure in 1979-80 cannot yet be estimated. The figures for current expenditure in 1979-80 therefore still reflect the levels of expenditure planned at the time of the Rate Support Grant settlement in November 1978. But local authorities have been asked to achieve economies which would result in a lower outturn for 1979-80; for England and Wales the Secretaries of State asked authorities to reduce their expenditure to 8 per cent below the previously planned level.

More for defence, less for schools

SPENDING ON defence, law and order and social security benefits will rise in real terms in the 1980-81 financial year, but the detailed plans indicate that expenditure on education, housing, roads and transport and lending to nationalised industries should decline next year.

DEFENCE: The defence programme figure of £8,062m represents a 3 per cent increase over estimated outturn for the current year; this estimated outturn is in line with the cash limit. FOREIGN AID: Overseas aid will be at about the same level in 1980-81 as in the current year. Similarly, the provision for other overseas services is planned to continue at much the present level (except that the current year includes contingent provisions for UN peace-keeping operations, and one-for-all grants of military aid to two Commonwealth countries). In order to tailor activities to this level of expenditure, 23 overseas posts will be closed or reduced in size and other FCO services curtailed.

HOUSING: Public expenditure on housing is expected to increase between 1978-79 and 1979-80 by about £150m. It will then fall in 1980-81 by about £300m to about £5,080m. Capital expenditure will be broadly unchanged between 1978-79 and 1979-80 but will fall in 1980-81 by some £280m. The reduction compared with 1978-79 reflects the expected decline in local authority new house building which will result from a change in local authorities' priorities.

EDUCATION AND SCIENCE: The Government are committed to promoting higher standards of achievement. The number of pupils in schools will be falling but account has been taken, both in teaching and in non-teaching expenditure, of the inescapable economies of smaller scale. The figures in the programme provide for the employment of some 505,000 teachers in 1980-81 (compared with about 520,000 in 1978-79) sufficient for the present level of education and in-service training to be maintained. It will be necessary to step up the rate at which surplus school places are taken out of use. It should be possible to maintain expenditure on the under-fives at about the present level. The Government expect expenditure savings of some £240m to be made on school meals, milk and transport. Parliament will be asked to give local authorities greater discretion in the nature of and charges for these services. Some modest expansion of non-advanced further education, especially vocational courses, should be possible to meet rising numbers aged 16 to 18.

HEALTH AND PERSONAL SOCIAL SERVICES: The Government plans to maintain spending on the National Health Service in 1980-81 at the level proposed by the last administration. However, the net cost to the taxpayer will be reduced by increased recovery under the Road Traffic Act 1972 of the cost of treating the victims of road accidents, by increasing prescription charges to 70p from April 1980, by revising dental charges so as to maintain their 1979-80 level in real terms, and by limited changes in the welfare milk scheme.

ROADS AND TRANSPORT: The roads and transport programme will be reduced by some £200m compared with 1979-80 and the reductions will be spread widely across the programme. Local transport expenditure accounts for just over half the programme and it is

the Government's intention that about half the total reduction should come from this. There will be a reduction in central Government expenditure on the motorway and trunk roads programme from the level previously planned, but there will be a switch within this programme to permit increased expenditure on motorway maintenance. Roughly half of the overall change will result from a reduction in central Government subsidies to transport industries, the bulk of which will reflect changes in the arrangements for the funding of British Rail and National Freight Corporation pension schemes. There will also be small reductions in new bus grants, ports investment and transport research.

AGRICULTURE: The provision made for expenditure on EEC-financed market support policies allows for an increase of £84m compared with 1979-80. In the rest of the programme there is a net reduction of £77m as a result of sales of land and changes in various services and their uptake, partly offset by provision for some increase in expenditure on fisheries. (The forecasts for expenditure for 1979-80, however, on which these comparisons are based, include payments due in 1978-79 but delayed by industrial action: if allowance is made for these the £77m reduction becomes £40m. Similar delays affected some other programmes, but not to the same extent.)

INDUSTRY AND ENERGY: Expenditure by the Department of Industry in 1980-81 on industrial support will be slightly below the level now planned

for 1979-80. The policy changes announced by the Government in regional and selective assistance, and on the National Enterprise Board, affect both of these years but the full savings will be achieved after 1980-81. Selective assistance by the Department of Industry to certain industries under Section 8 of the Industry Act 1972 and assistance to the nationalised industries, mainly coal, will continue to be provided. This programme also provides for the United Kingdom Atomic Energy Authority's research and development work in the nuclear field and for the Department of Energy's expenditure on energy conservation, research and development activities.

EXPORT CREDIT GUARANTEE: Department expenditure is expected to increase by £150m which reflects the one-for-all reduction achieved in 1979-80 by the Trustee Savings Banks taking over some £200m of outstanding refinance.

MANPOWER SERVICES: The provision for net contributions to the European Communities and to the European Investment Bank rises from about £920m in 1979-80 to about £1bn in 1980-81, representing the full estimated net cost to the United Kingdom under present arrangements; it demonstrates the strength of the Government's case in pressing our Community partners to accept without delay a fundamental change in these arrangements.

COMMUNITY LAND SCHEME: Legislation will be introduced to enable local authorities to reduce their net expenditure on local environmental services by charging for planning applications and for the enforcement of building regulations. Capital investment on water and sewerage services is planned to continue at broadly the same level as in 1979-80. Expenditure on the Urban Programme will be at a higher

level than is now expected in 1979-80. Capital expenditure on local environmental services is less than the prospective outturn for 1979-80. Expenditure on the Thames Barrier will increase by £22m with a view to completing the project in 1982. There will be no reduction in the provision for capital expenditure on school basic need but building programmes for school improvements, under-fives and further and higher education will be reduced by about half. Provision for science at just over £300m will be slightly less than in 1979-80.

ARTS AND LIBRARIES: Direct central government expenditure in support of museums, libraries and the live arts in 1980-81 should allow a continuation of activities at a level broadly comparable to what has been possible in the current year. Planned expenditure includes the contribution of the Office of Arts and Libraries to the £15.5m to be provided for the new National Heritage Fund and for acceptance of works of art in lieu of tax.

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New definition for public spending

THE principal changes to the plans announced in the White Paper of January, 1979, are: Family benefits. The change from child tax allowances and family allowances (including child benefit) to child benefit (during 1978-79) to child benefit was spread over a period of years. During the transitional period the total for the social security programme included only the net Exchequer cost of the change; this treatment was reflected also in public expenditure figures. The gross cost of child benefit was shown in the main table for the social security programme together with tax revenue flowing from reductions in child tax allowances. Now that the transition to child benefit has been completed by the general withdrawal of child tax allowances, the social security programme and public expenditure totals include the gross cost of child benefit (up to 1978-77 family allowances, including child interim benefit). Net overseas and market borrowing of nationalised industries. The definition has been broadened to include short-term borrowing and the capital value of leased assets. Net short-term borrowing is defined to include the industries' transactions in the other public sector debt. The definition of the industries' external-financing requirement used in the public expenditure planning total (including borrowing and grants) is thus now aligned with that used for their cash limits. The main classification changes since the last White Paper are: Expenditure on computer requirements supplied to central government departments by the Central Computer Agency and formerly included in the common services programme has been distributed to the appropriate functional programmes, reflecting the change to provision against repayment by the user department from April 1. The other programmes principally affected are defence, industry, energy, trade and employment, roads and transport, housing, social services, law, order and protective services; health and personal social services; and other public services. Some further expenditure on the urban programme in England and Wales has been re-allocated from other environmental services, roads and transport, education, and health and personal social services. The price basis of the White Paper: Money figures in this White Paper are presented at constant prices (described as 1979 survey prices) to allow comparisons from one year to another of the quantity ("volume") of goods and services used, either directly or indirectly, by the programmes. For most expenditure on goods and services, 1979 survey prices are prices as they were in the autumn of 1978 (for most local authority current expenditure the date is, more precisely, November 1978). For most transfer payments, 1979 survey prices are assumed average prices of 1979-80. The average increase from 1978 survey prices (the price basis of the last White Paper) in 1979 survey prices is 1.1 per cent.

High borrowing

High Government borrowing has fuelled inflation, complicated the task of controlling the money supply, raised interest rates and thus denied the wealth-creating sectors some of the external finance they need for expansion.

In deciding their spending plans for 1980-81, the Government have had in mind three central objectives: First, to bring down the rate of inflation. To achieve this it is essential to contain and reduce progressively the growth of the money supply. This means that Government borrowing must in turn be firmly controlled. It is a main determinant of monetary growth.

Second, to restore incentives. This means that the Government must hold down and if possible reduce taxes, particularly on incomes. Third, to plan for spending which is not only compatible with the necessary objectives for taxation and borrowing, but is also based on a realistic assessment of the prospects for economic growth.

The immediate prospects for output are poor both in this country and in the rest of the world. The growth of world trade is low. The recent increase in the oil price has made matters worse.

The Government's economic strategy must be to stabilise public spending for the time being. Unless this is done there can be no possibility of lower

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taxes, lower borrowing or lower interest rates. For 1980-81 the previous Government's plans involved a level of expenditure which could not be sustained. Even leaving out of account the likely cost of "catching-up" pay settlements in the public services, their published plans were £3.1bn higher than the spending now planned for 1979-80 at constant 1979 survey prices.

To pay for this increase would have required sharply higher taxes or borrowing on a scale which, if possible at all, would mean higher interest rates or an excessive growth of the money supply and more inflation. (The increase in the basic rate of income tax required to raise an additional £3.1bn of revenue is about 5p.) Any of these would damage our growth prospects still further—and, in so doing, the prospects for higher spending on our public services in the future.

To limit severely the resources devoted to our public services for the time being is not to deny that many of them need improvement. It is rather

authority expenditure which the Government do not directly control. The present estimate is that the planning total of public expenditure after shortfalls will be about the same as in 1978-79. Capital expenditure on construction, including expenditure by the nationalised industries, is likely to be rather less than £7bn in each of the last three years.

Council spending The broad breakdown of local authority current expenditure between services is consistent with the pattern of individual programmes which reflect the Government's view of national priorities between and within services in 1980-81. However, the figures are necessarily tentative since it is for individual local authorities to decide the eventual distribution in the light of local needs and conditions. The planned levels for capital expenditure in 1980-81 are some 8 per cent lower than in 1978-79, and 9 per cent less than the outturn at present estimated for the current year. The outturn of local authority current expenditure in 1979-80 cannot yet be estimated. The figures for current expenditure in 1979-80 therefore still reflect the levels of expenditure planned at the time of the Rate Support Grant settlement in November 1978. But local authorities have been asked to achieve economies which would result in a lower outturn for 1979-80; for England and Wales the Secretaries of State asked authorities to reduce their expenditure to 8 per cent below the previously planned level.

Asset sales

As announced in the Budget speech, the Government is intending to raise some £1bn from sale of assets owned by the public sector in the current year, as a contribution to reducing the public sector borrowing requirement. Measures for raising this sum are in hand. The target for the corresponding reduction in the public sector borrowing requirement in 1980-81 is £1.5bn.

The civil service staff costs included in the 1980-81 programme take account of the revised manpower levels resulting from the adjustment to the current year's cash limits and the changes in public expenditure programmes both in 1979-80 and 1980-81. They do not, however, allow for additional savings resulting from the review of the size and cost of the civil service announced by the Minister of State, Civil Service Department, on June 11, these will be announced in due course.

The Government's Expenditure Plans, 1980-81, Command 7746, from the Stationery Office, price 70p.

PUBLIC EXPENDITURE 1974-75 TO 1980-81 £m at 1979 survey prices

Table with 7 columns: Year, Central government, Local authorities, Certain public corporations, Expenditure on programmes, Contingency reserve, Debt interest, Total public expenditure before shortfalls and special sales of assets.

\* Balance remaining at October 31 1979 in the contingency reserve for the current year.

† Includes short-term borrowing and capital value of leased assets, which were not included in the planning totals in last White Paper in January 1979.

‡ The planning total (line 11) differs from total public expenditure (line 7) by excluding debt interest (line 6) but including all net borrowing by the nationalised industries (i.e. including line 9 as well as Government lending to nationalised industries in line 1) and special sales of assets (line 10).

PUBLIC EXPENDITURE BY LOCAL AUTHORITIES IN GREAT BRITAIN £m at 1979 survey prices

Table with 4 columns: 1979-79 Provisional outturn, 1979-80 Expected outturn, 1980-81 Plans, and a sub-table for Current expenditure (Education, libraries and arts; Local environmental services; Law, order and protective services; Personal social services; Transport; Housing; Other programmes).

PUBLIC EXPENDITURE PLANS (1980-81)

Local authorities

Few surprises, much concern

LOCAL AUTHORITY capital spending in Britain is to be further reduced by more than 9 per cent to £3,285bn in 1980-81. Housing, transport and education programmes will bear the brunt.

The Government has also recently published a consultation paper on capital expenditure controls which would impose a new set of controls over total capital spending in 1981-82 on top of the existing controls over borrowing.

Local authorities have refused to furnish Mr. Heseltine with details of the impact of the cuts on individual programmes.

Education

A new fee system for overseas students

THE PRECEDENT of charging new overseas arts students different fees from science students has been set by the Government as part of its plan to cut 5 per cent from previously scheduled expenditure on education, science, libraries and the arts.

Teachers in 1980-81, as compared with the 517,000 scheduled by the Labour Government's White Paper a year ago.

Industry and employment

No new swingeing cuts in aid

ANYONE WHO thought that the Government would honour its pledges about disengaging from business affairs by immediately carving into its spending on industry must now be disillusioned.

research and development budget has also been trimmed and the criteria on selective aid has been tightened.

development areas and special Health Service will be maintained at previously planned levels—as promised by the Conservatives in their election campaign.

Health

Election pledge kept

SPENDING ON the National Health Service will be maintained at previously planned levels—as promised by the Conservatives in their election campaign.

charges made under the Road Traffic Act to the insurers of road traffic victims are to be increased—a measure designed to raise an extra £1.5m in 1980-1981 and £3m a year thereafter.

Housing and construction

An air of gloomy uncertainty

THE PRECISE impact of yesterday's measures on the construction industry's output is impossible to determine. This is because the exact composition of spending on programmes has yet to be decided.

Current expenditures on housing, chiefly subsidies to the public sector, is expected to show a small fall in 1980-81, following a rise of about £150m in the current year.

YOUR NEXT MOVE COULD HELP US MAKE OUR SECOND MILLION. It may surprise you a little to learn that there's a corner of North West England which houses three of the country's most successful industrial sites.

Nationalised industries

Something of a relief

NATIONALISED industries appear to have escaped almost unscathed from the Government's pruning exercise. In fact, beneath the statistical fog of changed definitions and varying price bases, it looks as if the present Government is actually being more generous than its predecessor to the state corporations.

telephone accounting strike, which has left it with arrears of around £1bn to collect over the next few months.

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# FINANCIAL TIMES

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Friday November 2 1979

## The end of a wishful era

EVER SINCE the establishment of the Public Expenditure Survey Committee British fiscal planning has been bedevilled by two myths. The first, the fruit of the Flooden Committee study of public expenditure, was that the costs of trying to control public expenditure in the short term exceeded the economic benefits. While it is true that there are large costs attendant on the disruption of long-term programmes, this is at least as true of the private as of the public sector. The public attachment to long-range planning simply intensified the stop-go cycle of demand and financial pressure suffered by private industry.

### Growth rate

The second myth—a matter of practice rather than of public spending theory—was that plans could be based on a reliable long-term trend rate of growth. The result was unhappy. The actual growth of output was below estimates, so that plans which were intended to be conservative and stabilising repeatedly proved to be an embarrassment. Disruptive cuts were necessary after all.

The new exercise in expenditure control presented to the House of Commons in a very brief White Paper yesterday appears to bring this era of wishful long-term planning to an end. In one lapidary sentence, a new philosophy is announced: "Public expenditure cannot any longer be allowed to precede, and thus prevent, the growth of the private sector."

The clear implication is that in future the growth of public expenditure will have to wait on the achievement of growth and the availability of greater resources. From the point of view of general economic and monetary management, this is a wholly welcome change.

### Detailed steps

Unfortunately it is much easier to understand the new planning philosophy than the detailed steps through which it is proposed to realise it. Public spending in White Papers are traditionally obscure, but will usually yield a good deal of detailed information to the expert analyst. The new one is, on matters of detail, as obscure as it is brief. No comparison of current plans for 1980-81 with previous plans for the same year is offered. By applying an inflation factor of 11½ per cent to the

last White Paper, the new programme is seen to be £3.6bn less in total than the previous plan; but since difference programmes have different cost structures, one cannot reliably estimate the costs programme by programme.

Only broad conclusions can be drawn. First, the cuts are rather more severe than the Government has chosen that they should appear. By presenting the sale of assets as a form of negative current expenditure—a misleading classification, as we have argued before—the White Paper conceals a cut in total programmes of some £1m, or about half that if it is assumed that most of the contingency reserve will in fact be spent. Given the Government's own priorities for high spending on defence, law and order, it is clear that other cuts are quite painful.

The cuts actually proposed can be classified under three heads. First, there are those which actually reduce the demand on resources—the 50 per cent cut in investment in school improvements, for example, of the yet to be announced cuts in civil service manpower. These are the most significant economically.

### Social security

Secondly, there are the cuts made by new or increased charges—ranging from gas prices to fees for planning permission—or by transferring political and financial responsibility for local meals, for example, to local authorities. These measures may improve the efficiency of resource allocation, by they do not free resources. Any cut will add about a full point to the retail price index. Such "cuts" do not really match the aspirations suggested by the new philosophy.

Finally, a new kind of wishful thinking has crept in. Social security spending is shown as rising only slightly in real terms, despite the rising number of pensioners and a forecast higher employment. This figure is said to "reflect the Government's intention to intensify efforts against fraud and abuse." This is sad stuff. Spending cannot be planned by counting your scroungers before they are caught. It would clearly be unjust to judge the Government's long term intentions on the basis of this short-term exercise; but the main White Paper, due at the turn of the year, will have to present a clearer picture.

## PUBLIC EXPENDITURE PLANS (1980-81)

### POLITICAL ASSESSMENT

# Tory philosophy firmly put into figures

PUBLICATION OF THE Government's Expenditure Plans 1980-81 marks the end of the first round of the Tory experiment. The document contains little that was not suggested in the Budget made last April and elaborated in the Budget in June, but it is still as near as can be a complete statement of Government policy. What we now have is the Tory philosophy with figures. British politics in the next year or two, barring wholly unforeseeable developments, should be largely a matter of watching whether it works.

There can be no doubt by now—as there was at the beginning in the higher reaches of the Treasury—that the Tories mean what they say. They have a philosophy, and they are determined to put it into effect. In the short term it is likely to divert them from that end. Alternative policies are out because the Tories believe that they have been tried in the past and have failed.

Indeed if one had to pick out one single sentence from the expenditure white paper to illustrate both the Tory conviction and the strength of the determination to break with the practices of almost the whole of the past 30 years has been stood on its head.

In order fully to understand what the Tories are getting at, it is worth tracing the evolution from the manifesto to the white paper. Referring to the country's relative economic decline, the manifesto said: "We want to work with the grain of human nature, helping people to help themselves—and others." That statement goes to the heart of the present philosophy. The Tories believe that if people are given incentives, they will work, become more productive and invest. That is the grain of human nature or, if you like, the nature of economic man.

The budget statement developed the theory. Sir Geoffrey Howe, the Chancellor of the Exchequer, said that the Government's strategy was based on four principles: the need to strengthen incentives by allowing people to keep more of what they earn; the need to enlarge freedom of choice for the individual by reducing the role of the state; the need to reduce the burden of financing the public sector so as to allow room for commerce and industry to prosper; and the need to ensure that those who take part in collective bargaining understand the consequences of their actions.

Foreshadowing the White Paper, Sir Geoffrey also pointed out the difficulties of trying to put the philosophy into effect in a financial year that was already 2½ months old. The Budget made a start, he suggested. The real application of the theory would come in the spending plans for 1980-81. The Chancellor then gave some strong hints about the approach to public expenditure. The rejection of the old economic doctrines was clear in his rhetorical question: "Are we not driven to the conclusion that the notions of demand management, expanding public spending and 'fine tuning' of the economy have now been tested almost to destruction?" He also gave the key to the present White Paper. "Finance must determine expenditure," he said, "not expenditure finance."

The White Paper takes up the word from there almost, as if it were, in the same paragraph. "Public expenditure," it begins, "is at the heart of Britain's present economic difficulties."

The familiar litany of the need to reduce incentives and reduce the scope of the public sector is then repeated.

Yet it is hard to escape the impression that somewhere between the manifesto and more especially, between the budget and the white paper the world has become harsher. The budget statement seemed to say that there were further tax cuts to come, most probably next time. Sir Geoffrey was still on the same tack at the Conservative Party conference in Blackpool only a few weeks ago. "The Government's economic strategy must be to stabilise public spending for the time being. Unless this is done there can be no possibility of lower taxes, lower borrowing or lower interest rates."

Task grows harder

True, some of the phrases are vague: how long is "for the time being"? But others are not. There is nothing vague about "no possibility of lower taxes... or lower interest rates." What is clear is that the task has become harder and is acknowledged to have become harder, than the Tories once thought.

Interest rates present a special problem. It is sometimes said that, given the rate of inflation, they are only nominally high. That is not usually the view of people who have to pay them. The Government also has the problem that it is trying to use high interest rates now in order to be able to bring them down later, a technique not understood by its own supporters let alone by its opponents.

Rushing into print

Printers in London, Crawley, and Dunstable have been working round the clock for the past three days preparing the masses of material essential to the £290m BP share offer. The companies involved have been British Printing Corporation subsidiaries, and Mears Caldwell and Hucker of Stratham, which, apart from undertaking some of the printing, is responsible for the inserting and mailing of the documents.

Some 3,500,000 different items are involved, ranging from 1m prospectuses to application forms and an assortment of approximately 20 other forms for underwriters, pension schemes, BP employees and other specialist requirements.

The go-ahead to print was given at 8.45 pm on Tuesday, and the work had to be completed today. By the time the presses stop rolling, the task will have consumed 100 tonnes of paper.

The cost? No official figures are available, but it is understood the Treasury will be picking up a bill for around £250,000.

Paper chase

Executives who feel swamped by company memoranda should take comfort: those mounds of

## PUBLIC EXPENDITURE BY PROGRAMME: 1974-75 TO 1980-81

Programme	£m at 1977 survey figures			1977-78 Outturn	1978-79 Provisional outturn	1979-80 Expected outturn	1980-81 Plan
	1974-75 Outturn	1975-76 Outturn	1976-77 Outturn				
Defence	7,462	7,230	7,721	7,550	7,509	7,224	8,062
Overseas aid and other overseas services:							
Overseas aid	628	699	671	718	786	790	782
EEC contributions	-13	16	281	632	774	919	1,000
Other overseas services	699	412	393	486	400	426	409
Agriculture, fisheries, food and forestry	2,454	2,210	1,394	1,068	896	984	993
Industry, energy, trade and employment	5,213	4,300	2,886	2,467	3,267	2,753	2,878
Government lending to NIs	1,787	1,450	351	238	693	1,790	980
Roads and transport	3,829	3,913	3,505	3,023	2,980	3,118	2,914
Housing	7,141	6,273	4,253	5,587	5,226	5,380	5,078
Other environmental services	2,503	2,344	3,262	3,262	3,330	3,303	3,213
Law, order and protective services	2,172	2,311	2,352	2,284	2,379	2,454	2,542
Education and science, arts and libraries	9,584	9,576	9,722	9,362	9,567	9,657	9,246
Health and personal social services	8,326	8,634	8,713	8,776	9,055	9,189	9,194
Social security	14,146	15,333	15,714	16,595	18,213	19,858	19,288
Other public services	949	1,078	1,072	1,122	973	1,010	997
Common services	965	1,054	1,024	1,022	1,048	1,073	1,088
Northern Ireland	1,928	2,057	2,064	2,054	2,232	2,215	2,150
<b>Total programmes</b>	<b>70,282</b>	<b>71,052</b>	<b>68,490</b>	<b>65,536</b>	<b>69,321</b>	<b>71,776</b>	<b>70,729</b>

\* Includes purchase of British Petroleum shares in 1974-75 but excludes sales of BP shares in 1977-78 and 1979-80. The Government's Economic Plans 1980-81

In the budget the Minimum Lending Rate was raised by two percentage points to 14 per cent. It was widely assumed to be a temporary measure with the aim of steadying the markets. When the building societies prepared to follow suit, there was talk at the highest level of government intervention to stop them. Such talk has now ceased: the rise in mortgage rates is likely to go ahead on January 1 without a whisper of official protest. Given the rise in interest rates abroad, it is possible that the Minimum Lending Rate will have to go up further before the descent begins.

The size of the Government's task is plain from the following quotation from the expenditure white paper: "High government borrowing has fuelled inflation, complicated the task of controlling the money supply, raised interest rates, and thus denied the wealth-creating sectors some of the external finance they need for expansion." Yet if high interest rates are an obstacle to economic growth, they are also a deliberate instrument of the present Government's policy. Those "wealth-creating sectors" are clearly not yet ready to respond.

The White Paper contains other evidence that the application of the philosophy is proving more difficult than the Government expected. On the National Health Service, for example, the Government is not only not cutting expenditure—it is maintaining it in 1980-81 at the level proposed by its predecessor, though with changes in the method of financing. This must be the first time that a change in prescription charges, a curiously emotive issue in British politics, has been announced by a half sentence in a White Paper. It is the second time that the Tories have

increased them since they returned to office, the first being in the Budget. The increase in dental charges is described simply as a revision. The whole section on the health service indeed bears all the marks of compromise and internal argument.

It is the same with education which, however one looks at it bears a large part of the cuts. The school population may be falling, but it is still hard to know what to make of the statement "to step up the rate at which surplus school places are taken out of use." Even if the reader can penetrate that bureaucratic prose, one suspects that the principle behind it is easier to describe than to put into practice. It is also slightly surprising that a Government led by Mrs. Thatcher and supposedly preparing the way for economic resurgence should be cutting the provision for science.

That there are cuts overall there can be no doubt. The bottom line of Table 1 (reprinted on page 22) which suggests that expenditure in 1980-81 will remain broadly the same as in the current year, is to some extent an optical illusion. It conceals that in some areas, such as defence, spending is going up. To allow for that, in other areas it has to come down. The most notable sufferers are probably the local authorities whose capital expenditure is planned to fall by nearly 10 per cent in the year ahead. One awaits the local authority reaction with interest including that of Tory authorities and of Tory voters. Indeed the whole business of relations between central and local government promises to be fascinating. The question is, for instance, the question of what is to happen to the rates.

There is one other item which illustrates the size of the Government's task, the net contribution to the EEC budget. The expenditure white paper is one of the best possible ways of putting it in context. At £1bn next year, it dwarfs any of the cuts in individual sectors. Without that contribution, the Government's spending plans would look quite different. No doubt that is what Mrs. Thatcher meant when she spoke in Luxembourg last month of being unable to play Sister Bountiful to the European Community while cutting at home. If the rest of the Community does not begin to comprehend that soon, it may not be entirely fanciful to suggest that a Conservative Government will begin to threaten British withdrawal.

Yet to pick out the problems, oddities and inconsistencies of the White Paper is not to seek to undermine it. The Government has made a bold attempt to put its philosophy into figures. There may well be justifiable criticism of the equality-of-misery approach which consists of imposing cuts more or less across the board; the trifling but still damaging reduction of the budget of the BBC is an example. But, taken all in all, the Government has been remarkably consistent and remarkably effective in moving from manifesto to White Paper.

It is going to take longer than originally expected to put the Tory philosophy into effect: high interest rates alone will see to that. There may also be some severe casualties along the way. The White Paper, for instance, says nothing directly about the budget threat that those involved in collective bargaining must take the consequences of their own actions. But the threat is still there because the determination pro-

gressively to reduce the growth of the money supply is, if anything, stronger than ever. Nothing that has happened since the election suggests that the Government is ready to bale people out if wage agreements are incompatible with an employer's ability to pay.

One suspects that no one in the Government is going publicly to dissent from that approach at least for a year. But after that the political timetable could become trickier. The other problem is that the Government might succeed in reducing inflation and in controlling public expenditure, without producing economic growth. The whole exercise might still be worth it for its own sake. Mr. John Biffen, the Chief Secretary to the Treasury and architect of the White Paper, would probably agree. But the real objective of the Government is to restore incentives, promote investment and to expand the economy.

Ministers other than Mr. Biffen may yet have to resort to following sentiments. "The course of British industry is that it has never anticipated of demand. When we came in we were told there weren't sufficient inducements to invest, we provided the inducements. Then we were told people were scared of balance of payments difficulties leading to stop-go. So we floated the pound. Then we were told of fears of inflation: and now we're dealing with that. And still you aren't investing enough!"

That was Mr. Edward Heath addressing the Institute of Directors in 1978. Mrs. Thatcher has completed the first round of the new Tory experiment. Like her predecessor, she could still be disappointed by the result. **Malcolm Rutherford**

## Double threat to the EEC

FRENCH FARMERS, for historical, economic and political reasons, wield considerable clout. Without their influence, the EEC's Common Agricultural Policy would look very different. Even the French Government, or at least important members of it, now realises that the farm lobby has pushed the Community into unnecessary absurdities.

That the same Government is now pandering to the interests of a small agricultural minority, by refusing to lift the import ban on British lamb, is doubly unfortunate for the Community. Firstly, in defying the European Court's order to lift the ban, the French have undermined the Community's institutions and set an extremely dangerous precedent. Other Community Governments, not just the British, are now showing increasing alarm at the implications that Governments can simply decide to break the Treaty of Rome if they do not like its consequences.

### UK contribution

The second consequence has been to alienate British public opinion at a time when the country is already dismayed by the disproportionate size of its contribution to the Community budget. The two issues are separate. But for many people they will combine to fuel general, and powerful, anti-EEC sentiment—particularly if Mrs. Thatcher fails to win her case for a substantial reduction in the UK contribution at the Dublin summit in four weeks' time. The Government has said it will not, and indeed it should not, threaten to withdraw from the Community if the financial issue is not resolved. But the Community would be faced with the prospect of living with a seriously disaffected major member, which would be in a position to cause it grave difficulty. That would be in nobody's interest.

### CAP reform

The case for CAP reform, and a reduction in Britain's budgetary contribution, is unanswerable. The CAP will come under further, possibly unbearable, strain when the Community is enlarged to include Greece, Spain and Portugal. As for the budget, one has only to compare next year's estimated £1bn net UK contribution with the figures for spending cuts contained in yesterday's White Paper to see the effect on the nation's finances. Other EEC Governments are beginning to accept that the UK has an economic case for reducing its payments. It is to be hoped that they also see the political imperatives.

## MEN AND MATTERS

### Prince calls amid genteel elections

Prince Charles has chosen his moment well to visit Lloyd's of London, as part of the programme which is showing him how the City works. He will drop in at Lime Street next Wednesday—the day of a general meeting, and of the election of four Committee members.

This tends to be the most internally controversial moment of the year in Lloyd's; next Wednesday, eight candidates will be running for only four committee places. But Prince is unlikely to enjoy the chance to see much of these quaint—if occasionally tense—proceedings.

The elections often cause much harrumphing among the gentlemanly members of this insurance club. Many find the voting procedures undemocratic, particularly if their man is not elected.

Thousands of the membership are entitled to vote, yet only a few hundred turn up on the day—mostly those working inside Lloyd's. The large sleeping membership which provides the market with its capital plays scant part. There is no postal vote.

The venerable process will be slightly complicated this year, due to the visit of the Prince. On the advice of the City Police, all members coming to the market will have to carry their admission tickets. Those who forget will not be allowed into Lloyd's, or the meeting.

### Erasing Amin

It might have been thought that the exchange of Uganda currency notes with Idi Amin on them for brand new notes minus Amin would be a source of pleasure, if not joy, for the Ugandans.

It was, as it turned out, a painful operation. The new currency was called by a Uganda journal "bloody money," and

paper may be a treasure trove to historians in the 21st century. Time leads enchantment to business records, and on Monday a party is being held at the Goldsmith's Hall in London to celebrate a survey of the historical records of British banking.

The survey has been done by the Business Archives Council, a quarterly journal has started in 1984. It has traced material on 800 banks, most of which lived in the untrammelled financial world of pre-Victorian times.

"Banks have always cared for their documents, but many commercial companies are still very bad," says Sam Twining, chairman of the council. His family once ran a bank as part of its tea and coffee business—customers took their small change in coffee beans.

Is rescuing old company records anything more than nostalgia? Twining and his fellow-councillors (headed by Lord Denning and Sir Nicholas Ceyzer), point out that past records can have many lessons for the present. At Harvard Business School, business archives are used to demonstrate decision-making methods.

A display of business archives from Lancashire's past is being opened this week by the council in Liverpool. On Wednesday the indefatigable Twining will be lecturing at Durham University on the theme "Mind your own business records." He says: "We are not trying to make people keep everything, but advise them what to throw away and what to save for posterity."

Dr. John Orbell, director of the council's advisory service, recounts numerous rescue operations. A huge cache of material, some nearly three centuries old, was found among the girders at Covent Garden when the fruit market moved across the Thames; and two months ago, a tailor in Hanover Square telephoned the council to say that records dating back to 1800 had been uncovered during

removals. "We try to stir up companies, make them more aware," says Orbell.

### Sticking together

Employee involvement in companies is of course a wonderful thing. But I wonder if anyone ever thought it would develop to a point where a delegation of workers goes to the annual conference of the Confederation of British Industry, instead of to the TUC.

### Jumping the gun

Overheard at a cocktail party: "They could have warned us about lifting exchange controls—I only bought my place in Provence in July."

Fellow party-guest: "You could always call it the Villa Dollarosa."

## Secretary

**INSTITUTION OF ELECTRICAL ENGINEERS**

To succeed Dr. George Gainsborough, C.B.E. on retirement.

- AS CHIEF EXECUTIVE of this major professional Institution, responsibility is for implementing the policy of the Council. There is a permanent staff of 500; annual income exceeds £6m. The Secretary will be a director of the Institution's associated publishing company, Peter Peregrinus Limited.
- HIGH PUBLIC STANDING, proven administrative ability and financial acumen are the prime requirements. Career progression is likely to have stemmed from academic distinction in electrical engineering, or a closely related field. An understanding of the interface between government and industry would be an important advantage.
- TERMS are for discussion with not less than £20,000 as a salary indicator. Those to whom this appointment could be of interest are invited to write in confidence to K.R.C. Slater as adviser to the Institution.

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Observer

هكذا من التحول











UK COMPANY NEWS

Readicut buying U.S. manufacturing base

BY JAMES BARTHOLOMEW

Readicut International, the rug kit and specialist textiles group, is to buy Regal Rugs Inc., a rug manufacturer based in Indiana, for \$7.7m (£2.7m). Readicut says that Regal will provide an important manufacturing base in the U.S.

Regal is at present a wholly owned subsidiary of University Patents Inc. Based in North Vernon, Indiana, it designs, manufactures and sells tufted bath and "area" rugs and related accessories. These are marketed principally under the brand name Regal.

TKM has 37% of Wadham

TKM bought one slice of 5.5m shares on Wednesday at 50p each, a further 5.5m at 70p for a total of 11m. It continued buying yesterday. The bid has been accepted for the 11.7 per cent of the equity controlled by its members and family.

Montfort shares purchased

David Dixon, on October 31, purchased 5,000 Montfort (Knitting Mills) 25p ordinary shares at 85p, 25,000 at 88.75p and 125,000 at 89p. Dixon now holds an interest in 10.95 per cent of Montfort.

Rexmore Group Acquisitions

Rexmore, fabric supplier and distributor, has purchased 57 per cent of the capital of M. Ferrar and Sons (Glasgow) for £265,000.

BIDS AND DEALS

French move into UK Life market

A new UK life company is being launched early next year with capital provided partly by a consortium of French corporate investors.

GKN sells Servowarm to Belgian group

Servotomic, which makes Servowarm domestic gas central heating systems, has been sold by GKN, Kera and Nettlefolds to Belgium's biggest industrial holding group, Société Générale de Belgique.

Share stakes

Mr. Louis C. Edwards and Sons (Manchester)—Louis C. Edwards has disposed of 400,000 shares and now holds 566,819 shares (3.78 per cent).

Shirlstar reduces Hall stake

Shirlstar, the privately-owned container leasing company, has been whittling down its stake in Hall Brothers Steamship, currently the subject of a £365,000 bid from Temple Investment and Finance.

Dutch expansion by Macpherson

Donald Macpherson Group, maker of paints and other surface coatings, has acquired Derks Ver- en Lakfabriek of Dordrecht, Holland, for £800,000.

Autoclean buys Dwek

Dwek Group announces that its subsidiary, Atlas Plastics, has purchased Autoclean (Merchandising) from Lex Service Group for £220,000 cash.

Hopkinsons falls £1.34m to £0.79m in first half

DESPITE AN improvement on the second half of the previous year, taxable profits of Hopkinsons Holdings, manufacturer of boiler mountings, valves, were down for the half year ended July 27 1979 from £2.13m to £789,000.

Turnover for the half year was ahead from £20.36m to £21.16m and the pre-tax figure was struck after higher interest of £236,000 against £120,000, and included investment income of £23,000 (£28,000).

Base Lending Rates

Table with columns for bank names and interest rates. Includes A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

couple of years is the decline in the return on capital employed which has fallen from 22.75 per cent in 1977 to an annualised rate of less than 9 per cent at the interim stage. Down 1p to 57p yesterday, the share price had largely been anticipating the sharp halftime shortfall but the historic yield of 14.5 per cent may still be vulnerable.

Miners best for 10 years

THE COAL BOARD said yesterday that the 1,500 miners at Calverton Colliery in Nottingham have produced their highest weekly coal output tonnage for more than ten years.

radically but the aftermath of the engineering strike and generally sluggish demand have combined to fudge any reasonable estimates of the timing of the upturn.

Share Stakes

Mr. Louis C. Edwards and Sons (Manchester)—Louis C. Edwards has disposed of 400,000 shares and now holds 566,819 shares (3.78 per cent).

Dutch Expansion

Donald Macpherson Group, maker of paints and other surface coatings, has acquired Derks Ver- en Lakfabriek of Dordrecht, Holland, for £800,000.



Extracts from the Directors' report (continued)

THE ASSOCIATED MANGANESE MINES OF SOUTH AFRICA LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for 6 months to 30 June 1979 and Year ended 31 December 1978.

CONSOLIDATED MURCHISON LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for 6 months to 30 June 1979 and Year ended 31 December 1978.

ANGLO-TRANSVAAL COLLIERIES, LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

T.W. BECKETT AND COMPANY LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

IRVIN & JOHNSON LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

FOOD CORPORATION (PROPRIETARY) LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

CONCENTRA LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

ANGLO-TRANSVAAL INDUSTRIES LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

SOUTH ATLANTIC CORPORATION LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

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GLOBE ENGINEERING WORKS LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

CONSOLIDATED GLASS WORKS LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

NATIONAL BOLTS LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

STEELMETALS LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

CLAUDE NEON LIGHTS (S.A.) LIMITED

Table with columns for financial statements (Turnover, Profit after taxation, Earnings per share, Dividend per share) for Year ended 30 June 1979 and 1978.

Denver Metal Works (Proprietary) Limited

Notwithstanding continued difficulty in obtaining new sign approvals from the authorities, the company earned a record consolidated profit. A number of large sign contract replacement programmes were negotiated during the year and renewals of existing signs were at higher levels.

South African Fine Wrosted (Proprietary) Limited

The additional weaving capacity introduced during the year was fully utilised in meeting an increased demand for the company's products and both piece sales and turnover reached record levels.

Tristel Holdings (Proprietary) Limited

The group increased its market share substantially and both local and export sales were at record levels. Competition between merchants intensified and price cutting became pronounced.

E. I. Rogoff Limited

Following the loss of certain major agencies in the previous financial year, a decision was taken to cease trading on completion of orders on hand.

Combine Cargo Limited

Increased business activity and better market penetration resulted in an after-tax profit of R116 000 (1978 - R59 000 loss) before taking into account a surplus of R41 000 in respect of extraordinary items.

Anglo-Alpha Cement Limited

The group increased its market share substantially and both local and export sales were at record levels. Competition between merchants intensified and price cutting became pronounced.

Anglo-Transvaal Consolidated Investment Company, Limited

Further cost savings in the cement division together with continued market growth and improved plant utilisation in the lime division contributed to group taxed earnings increasing by 31 per cent.

Anglo-Transvaal Consolidated Investment Company, Limited

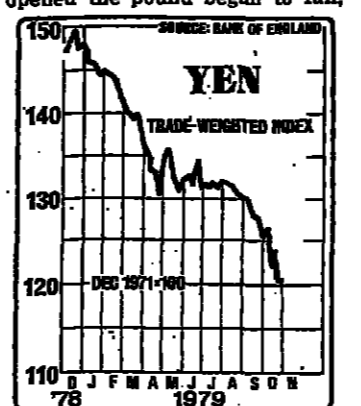
Registered Office: Anglo-Transvaal Trustee Limited, 285 Regent Street, London W1R 5ST.

The Annual General Meeting of the Company will be held at 09.30 on 23 November 1979 at the registered office of the Company.

CURRENCIES, MONEY and GOLD

£ and \$ weak

STERLING lost ground, and the dollar finished around its lowest level of the day in quiet foreign exchange trading yesterday...



TOKYO - The dollar rose to ¥238.05 against the yen at the close, compared with ¥237.75 previously. The imminent rise in the Bank of Japan discount rate was of little help to the Japanese currency...

Bank of Japan discount rate, with the dollar finishing at ¥237.75 in terms of the yen, compared with ¥237.80 previously.

ZURICH - The dollar lost ground against the Japanese yen in early trading following the rise in the Bank of Japan discount rate...

FRANKFURT - The Bundesbank did not intervene when the dollar was fixed at DM 1.8020 against the D-mark, compared with DM 1.8066 previously...

Table: THE POUND SPOT AND FORWARD. Columns: Day's spread, Close, One month, % Three months.

Table: THE DOLLAR SPOT AND FORWARD. Columns: Day's spread, Close, One month, % Three months.

Table: CURRENCY RATES and CURRENCY MOVEMENTS. Columns: Oct. 31, Bank rate, Special Drawing Rights, European Currency Unit, Nov. 1, Bank of England, Money market.

Table: EMS EUROPEAN CURRENCY UNIT RATES. Columns: ECU central rates, Currency amounts, % change from central rate, % change adjusted for divergence, Divergence limit %.

Table: EXCHANGE CROSS RATES. Columns: Nov. 1, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

Table: EURO-CURRENCY INTEREST RATES. Columns: Nov. 1, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian, Japanese Yen.

INTERNATIONAL MONEY MARKET

Rates remain firm. With many European centres closed for All Saints' Day, interest centred on the increase of 1 per cent to 6 1/2 per cent in the Bank of Japan discount rate...

GOLD

Trading remained very quiet, with the market still nervous before the U.S. Treasury's auction of 1.25m ounces of gold.

UK MONEY MARKET

Small shortage. Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day-to-day credit was in short supply in the London money market yesterday...

GOLD

Table: Gold Bullion (fine ounce) and Gold Coins. Columns: Close, Opening, Afternoon fixing, Kruggerand, Mapleleaf, New Sovereigns, King Sovereigns, Victoria Sovereigns, 50 pieces Mexico, 100 Cor. Australia, 500 Eagles, 210 Eagles, 85 Eagles.

MONEY RATES

Table: NEW YORK, GERMANY, FRANCE, JAPAN. Columns: Prime Rate, Fed Funds, Treasury Bills, Discount Rate, Overnight Rate, One month, Three months, Six months, Two years.

LONDON MONEY RATES

Table: Nov. 1979, Starting (Call/Deposit), Interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House deposits, Company deposits, Discount, Treasury Bills, Eligible, Fine.

Reed International Limited. London. 7 1/2% DM Bearer Bonds of 1973. Notice of Redemption. Group No. 4 in the principal amount of DM 10,000,000.

FOR PENSION FUNDS & CHARITIES Investing Overseas. The recent abolition of exchange controls removes one of the major obstacles concerning overseas investment.

A FINANCIAL TIMES SURVEY MEXICO Friday January 11th 1980. The Financial Times proposes to publish a survey on Mexico. The following is the proposed editorial synopsis: Introduction, The Economy, Tourism, The Motor Industry, Oil and Gas, Personalities, Banking, Guadalajara, Foreign Affairs.

Get Timely Advice. Sent to you every Wednesday, the IC News Letter gives you expert share recommendations on the right day for you to act, for the greatest benefit.

Bank, United, INVEST, Please, The Nat, Tech

SWISS BANKING PRACTICE: BY DAVID MARSH

# A slow progress from secrecy to secrecy

A FEW Latin American generals and deposed Third World rulers are sleeping a little easier after the results of the Swiss general elections last month. So can many others who find it advantageous for tax reasons or other forms of pecuniary convenience to keep funds in a Swiss bank account.

The voters showed a distinct lack of enthusiasm for the campaign by the Swiss Socialist Party to crack down on domestic and international tax dodgers by loosening the country's banking secrecy laws. The Socialists lost ground to the bourgeois parties in the four party governing coalition.

The renewed statement of Swiss electoral conservatism appears to strengthen the prospect that the Socialist proposals will be turned down when they are put to a nationwide referendum in 1982 or 1983. But although the main elements of Swiss banking secrecy look likely to remain firmly entrenched in the country's legal and financial system, a number of important changes are on the way. Switzerland is slowly responding to pressures from both within and outside the country.

The Swiss authorities are becoming aware that an excess of regulations protecting the banks and their customers from official investigation may be doing the country more harm than good. The secrecy laws and the continued popularity of numbered accounts — which afford the holder a significant (though not total) degree of anonymity — together exert considerable pulling power to attract funds of dubious origin into the country. This can create additional banking risks

—illustrated most graphically by the losses of SwFr 1.2bn uncovered by Credit Suisse in 1977 as a result of mismanagement at its Chiasso branch.

The strategy being followed by the Swiss authorities is to undermine by psychological means rather than sweeping action the country's attractiveness as a refuge for money on the run. Small but significant changes in the law on secrecy and on regulation affecting Swiss co-operation with foreign tax authorities are planned. The result may be that in a few years' time Swiss banking secrecy laws, though remaining among the toughest in the world, in practical terms will be only a little more stringent than those in other important capital havens.

## Revision

Parliament next year will probably be asked to change legislation covering banking secrecy as part of the proposed revision of the Swiss Banking Act, due to come into effect by about 1983-84. An official working party due to report early next year is likely to suggest that the present regulations are unnecessarily stringent; that without altering the essential principles or the way they work in practice, they could be brought into line with laws covering the guarding of clients' confidences by professional groups such as doctors, lawyers and the clergy.

A bill already on its way through parliament, and approved by the lower house this summer, envisages that Swiss banks will in future be

obliged to give assistance to foreign tax authorities investigating cases of fiscal fraud. The legislation, which the Government hopes will be in force by the start of 1981, is part of a general overhaul of regulations governing legal assistance to foreign states.

It represents a significant break with the traditional refusal to lift banking secrecy for any kind of foreign tax inquiry.

The law governing banking secrecy has been on the statute book since 1834. As a result of persistent efforts by Nazi officials to solicit information on Swiss bank accounts held by German Jews, Berne introduced tough penalties under criminal law for banking employees passing on details of customers' affairs to anyone outside the bank.

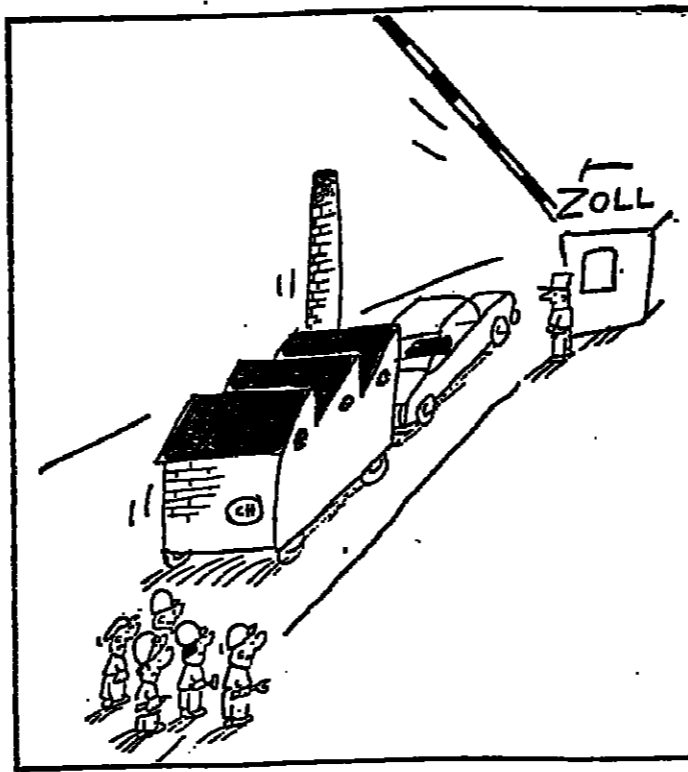
The penalties now in force are prison sentences of up to six months and fines of up to SwFr 50,000 (about £14,400).

Infringements which arise by negligence, as well as incitement to violate the secrecy regulations are also punishable. This makes the law a far more serious affair than the regulations governing secrecy in other professions. These aspects have led the Swiss banking authorities to conclude that toning down the secrecy law would not materially increase the risk of infringements, but could act as a psychological deterrent to illegally acquired funds entering the country.

Banking secrecy is not absolute. Banks have to give information about their customers when they become the subject of criminal investiga-

tions. In contrast with all other European countries, Swiss banks are, however, legally forbidden to give information to domestic tax authorities assessing claims or investigating tax evasion. (The only tax offence for which the authorities can secure banking information is fiscal fraud, where falsification of documents is involved. This has been explicitly recognised as a crime in Switzerland since 1977.)

The extradition law, as well as a series of multi- and bilateral treaties on legal assistance signed in recent years, constitute almost a blanket refusal to co-operate in any cases involving infringements of foreign countries' tax and currency regulations. A special exemption was made under the U.S.-Swiss Mutual Assistance Treaty. It entered



The Socialists unsuccessfully tried to convince the Swiss electorate that the very success of the Swiss banks had jeopardised jobs in Swiss industry, which is transferring jobs abroad.

into force in January, 1977, after years of negotiations as part of American efforts to crack down on organised crime in the U.S. The treaty allowed banking secrecy to be lifted for U.S. investigators pursuing violations of tax and currency regulations, provided the information could be used to prosecute members of the Mafia and other underworld groups.

Apart from this exception, foreign countries have been unable to pursue perpetrators of tax fraud even though such action has been open to the domestic tax authorities. This is the loophole which the new law aims to close.

The power of the banks in general, and bank secrecy in particular, have been political issues on and off in Switzerland for at least a decade. At one time the right wing led the way, but most lately it was picked up by the Socialists who argued that heavy capital inflows were pushing the franc to unjustified heights and jeopardising the interests of Swiss manufacturers and their workers. The National Bank has for long tried to counteract capital inflows with measures that have not proved watertight, above all the "negative interest" charged on foreign-owned deposits in Swiss banks.

One result of the Chiasso affair was a gentlemen's agreement reached between the National Bank and the commercial banks under which the banks undertook to prevent improper use of banking secrecy and to refrain from actively aiding tax evasion and capital flight.

Much of this has provided ammunition for Herr Helmut

Hubacher's Socialist Party. Confronted with the unpalatable task of unearthing a genuine left wing cause in the wealthiest and most politically stable country of the western world, it focused on the banking secrecy issue for positive popular support. The referendum proposal finally submitted in October calls for a loosening of banking secrecy above all to counter alleged tax evasion by Switzerland's wealthier citizens, as well as for measures to improve co-operation with foreign tax authorities, force the banks to publish more information, and to introduce deposit insurance.

The banks themselves form a powerful lobby opposing tinkering with the secrecy laws. They claim the Socialist proposals aim eventually at nothing less than nationalisation of the banks.

## Average wealth

The majority of the Swiss electorate probably shares the bankers' point of view. They are fully aware of the banks' contribution to Switzerland's overall prosperity. Socialist Party officials admit that in a country where one in every 14 of the population owns shares and surveys show the average wealth of old age pensioners hovering around the SwFr 200,000 (about £57,000) level, their proposals are unlikely to produce results, the party hopes that focusing public attention on the secrecy issue will create pressure for change in the longer run.

The changes, which the

Government proposes to introduce fall far short of the Socialists' proposals. When future revolutions occur in foreign countries, the Swiss authorities will continue to irritate the new Government by turning down requests to hand over the funds deposited by the departing regime. And the improved co-operation with foreign tax authorities will still bring Switzerland nowhere near the level of information exchange which takes place within the EEC to combat international tax evasion. But one important result of efforts to alter the image of Swiss banking secrecy is almost certain to be the promotion of alternative financial centres.

In Europe anonymous accounts are available in Austria, France, and Belgium. But there the existence of exchange controls or closer government supervision creates a picture very different from that in Switzerland. The real alternatives to the near-mythical Swiss account as a tax and investment haven lie outside Europe. The Netherlands Antilles and Cayman Islands have actually modelled their secrecy rules on the Swiss example.

Significantly enough, since the conclusion of the Mutual Assistance Treaty, the Swiss authorities have granted the U.S. very little extra assistance to prosecute underworld criminals. The reason is that the Mafia apparently is no longer using Switzerland as a major area in which to channel its ill-gotten funds: the Swiss Justice Ministry assumes that the treaty was signed, underground cash has been diverted to the Caribbean.

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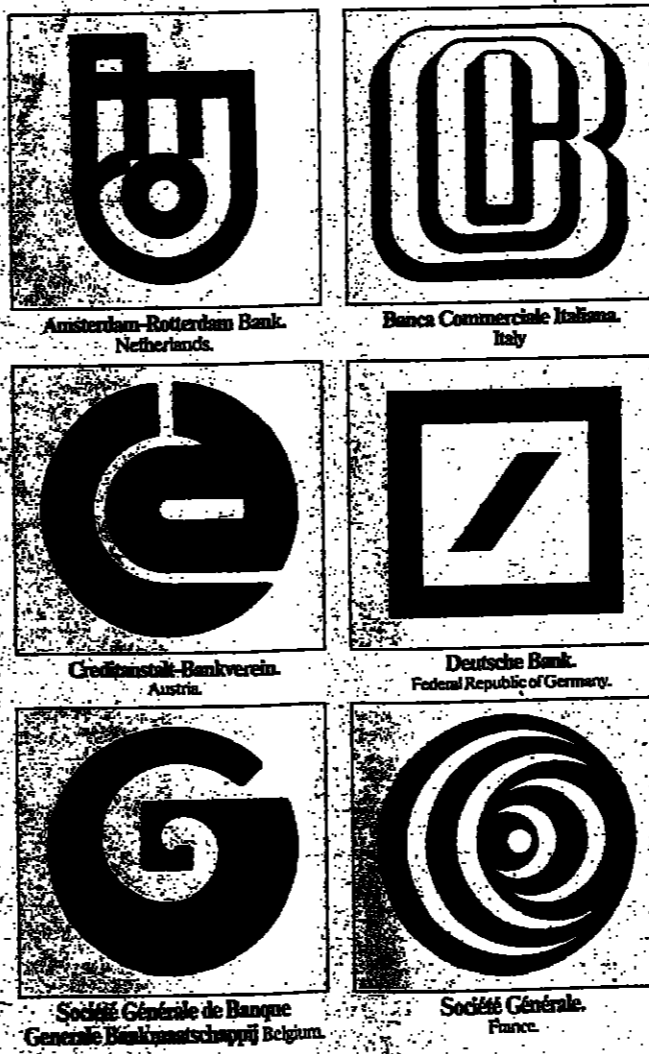
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INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Sharp increase in Social's earnings

BY OUR FINANCIAL STAFF

EARNINGS of Standard Oil of California (Social), the fourth largest U.S. oil group, more than doubled in the third quarter...

rose 69 per cent to \$324m, from \$118m the previous year. Social cited improved petroleum prices in Europe and western hemisphere foreign areas...

during the third quarter by about \$1bn due to revised credit terms from some of the oil-producing countries. Mr. Sellers Stough, vice president and comptroller, attributed this principally to Saudi Arabia shortening the credit period for payment of crude oil to 30 days from 60 days from lifting...

equivalent to \$15.89 a share against \$6.22 for the corresponding period last year. Sales at \$302.6m were 53 per cent ahead. For the first nine months, the company now shows earnings 90 per cent up at \$152.6m, or \$38.07 a share against \$20.07 on sales 51 per cent ahead at \$778.8. A five-for-one stock split has been approved.

Income up 11% at Walter E. Heller

By Our Financial Staff

WALTER E. HELLER INTERNATIONAL, the financial conglomerate and owner of American National Bank, Chicago's fifth largest bank, pushed up net income 11 per cent to \$10.34m for the third quarter...

A \$22m proposed deal to buy Midland Bank control of the oil-rich conglomerate was called off last month. Over the nine months, income rose to \$10.34m or \$2.16 a share compared with \$9.26m or \$2.16 a share in the same period last year...

MGM results 25% ahead

By Our Financial Staff

EARNINGS FOR the year advanced 25 per cent at Metro-Goldwyn-Mayer, largely helped by its hotel-casino operations where operating income rose to \$72.2m, up from \$56.1m last year. Total net for the group was \$61.60m or \$2.02 a share against \$49.34m or \$1.61 for 1978...

UK tax move boosts Hoover

BY OUR FINANCIAL STAFF

THE RECENT revision in UK tax law on inventories is reflected in a massive upswing in third quarter earnings at Hoover, the worldwide domestic appliance manufacturer, which holds 55 per cent of Hoover UK. Earnings for the quarter leapt from \$4.2m to \$19.3m, or from 32 cents a share to \$1.58, although sales showed only a gain to \$194.3m.

At the half year stage, earnings were 22 per cent down at \$4.5m. But the nine-month earnings total now shows a 98 per cent increase to \$29.5m or from \$1.13 to \$2.33 a share. Sales at \$569.5m are 13 per cent ahead. The company says that as a result of the revision in UK tax law the deferred tax liability of the UK subsidiary that had arisen from the inflationary effect on inventories has been forgiven for the years 1973 and 1974. Deferred tax liability on the years after 1974 will be forgiven if not reclaimed within six years. This has resulted in a \$12.2m or 96 cents a share increase for 1979.

Discussions are under way with the Teamsters Union, which represents some of the 300 workers at the brewery, the company said. The Syracuse brewery, with an annual capacity of 5.4m barrels, has a net book value of about \$155m. Schiltz said that the purchase price of \$100m would be payable in three instalments over a two-year period with the final payment at the beginning of 1982.

Schlitz sells Syracuse brewery for \$100m

By Our Financial Staff

THE SYRACUSE-BASED brewery of Jos Schlitz is to be bought for \$100m by the brewing subsidiary of Anheuser-Busch, the St. Louis based group engaged in brewing real estate and family entertainment facilities. Schlitz has been in the red for the first three quarters of this year and had previously decided to close the brewery by the end of the year.

Anheuser-Busch said that the Syracuse brewery would remain closed for more than a year pending completion of modifications that will cost more than \$100m to enable it to produce Anheuser-Busch products. Under terms of the agreement, Schlitz is obliged to obtain appropriate Government clearances, Anheuser-Busch said.

In Milwaukee, Schlitz said that the proposed sale would result in an after-tax writedown of about \$40m in the fourth quarter. If the sale is not completed, the writedown will be substantially larger, it added.

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Uniroyal loss

Uniroyal, the tyre manufacturer and rubber fabricator, has registered a third quarter loss of \$11.5m or 43 cents a share, compared with a \$3m, or 16 cents a share loss in the same 1978 period. Reuter reports from New York. This makes a nine-month loss of \$8.6m, against a \$2.3m profit last year.

U.S. QUARTERLIES

Table with columns: Company Name, 1979 Revenue, 1979 Net Profit, 1978 Revenue, 1978 Net Profit. Includes sections for AMERICAN GENERAL INSURANCE, AMERICAN NATURAL RESOURCES, AMERICAN-STANDARD, CAPITAL HOLDING, DOMTAR, EMERY AIR FREIGHT, FLEMING COMPANIES, M. LOWENSTEIN, A. C. WILSON, OGDEN, SOUTHERN NATURAL RESOURCES, and YEN STRAIGHTS.

Strong first quarter profit advance at Quaker Oats

BY OUR FINANCIAL STAFF

AT THE end of the first quarter of the current year, Quaker Oats, the packaged food, top and restaurant group, is well on the way to meeting a forecast of earnings of \$4.40 a share for the full year. Sales are up on 26 per cent to \$24m in the first quarter, with share earnings at \$1.15 against 89 cents a share last time. Sales are 24 per cent ahead at \$70.1m.

The 1978 net total excludes a gain of 74 cents a share representing the cumulative effect of changes in the method of accounting for tax credits. For the whole of last year, sales increased by 17 per cent to \$1.9bn. Net income rose by 15 per cent to \$4.01 a share.

Foreign operations accounted for 34 per cent of sales and 31 per cent of profits. Operating net of the U.S. grocery products segment rose to \$19.3m in the first quarter from \$16.9m last year. Sales rose to \$206.9m from \$185.3m. Operating income from international grocery products national lack of fish, labour problems in Britain an dhigher advertising and merchandising expenses in Europe.

International sales rose to \$154m from \$107.5m last year. Chiari and Forti, in which Quaker obtained a majority interest in March, contributed substantially to the sales gain.

Toys and crafts operating net rose 55 per cent from last year to \$26.3m with Fisher-Price contributing most to the improvement. Quaker's institutional food and restaurants segment had a \$0.5m operating loss in the quarter, after provisions for expected restaurant closures, including that provision, earnings would have been about equal to last year.

Net interest expense for the quarter was \$1.9m, higher than last year due to higher interest rates and an increased level of borrowing. Quaker had a foreign exchange loss of \$1.6m in the period compared with a gain of \$1.9m last year.

EUROBONDS

Quiet spell for dollar issues

BY OUR EUROMARKETS STAFF

EURODOLLAR bond prices were generally unchanged yesterday, in slow trading because of the All Saints holiday in several European centres as well as continuing investor uncertainty over the outlook for dollar interest rates.

The U.S. bank prime rate will approach 16 per cent before beginning to decline, according to a forecast in New York by Mr. Richard Leblond, Chemical Bank vice-president.

However, market speculation that the latest U.S. money supply figures could show a sharp drop acted as a stabilising influence on bond prices, dealers said.

The stability of Deutsche Mark interest rates, despite the latest credit measures from the Bundesbank, helped create steady conditions in DM bonds. Meanwhile, BHF Bank in Frankfurt said it would go ahead with its planned DM 100m private placement for a European address, with details to be released next Monday. The planned issue was to be the first in the West German mark foreign calendar this month, but was postponed on October 25 because of the weak state of the Eurobond market.

Elsewhere, Centrale Rio bank said it closed subscriptions on its 9 per cent five-year Eurocurrency note placement at 99 1/2 with FI 25m raised, compared with the FI 50m originally planned. This follows the increase in the Dutch bank rate from yesterday.

The SWFR 90m 4 1/2 per cent 10-year bond floated by the Republic of Finland on the Swiss capital market for October 26 to 31 was nearly covered by subscriptions, issuing consortium leader Union Bank said. The issue price, originally set at par, was reduced to 99 on October 25.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on November 1

Large table of bond issues with columns: Issued, Bid, Offer, Change on week, Yield. Includes sections for U.S. DOLLAR, STRAIGHTS, REMIT STRAIGHTS, DEUTSCHE MARK, STRAIGHTS, SWISS FRANC, STRAIGHTS, and CONVERTIBLE.

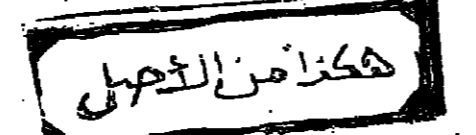
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INTL. COMPANIES and FINANCE

Board policy clash at Burmeister

BY HILARY BARNES IN COPENHAGEN

MR. POUL MADSEN, who took over as chairman of the Danish Burmeister and Wain (B. and W.) shipbuilding and industrial group last night by the Board after disagreements over the future of the group.

Board decision to let the group's majority shareholder, Mr. Jan Bonde Nielsen, complete negotiations for the merger of B. and W.'s marine diesel engine interests with West Germany's MAN, a deal which was concluded in principle last month.

with a Social Democratic administration—the yard now expects to obtain the export credit guarantees.

Fuel costs hit KLM profits

BY CHARLES BAYCHELOR IN AMSTERDAM

THE SHARP increase in fuel prices and the growth of low-tariff travel, particularly on North Atlantic routes, reduced the profits of KLM Royal Dutch Airlines in the second quarter of 1979-80.

Fl 2.1m last year. Most of the improvement came from a Fl 4.9m gain arising from the extension of the depreciation period on its Boeing 747 aircraft to 15 years and on its S61N helicopters to 10 years.

Fl 151.6m and at the net level profit declined to Fl 92m from Fl 153m. Operating revenue was 9 per cent higher at Fl 1.6bn, while costs rose by 15 per cent to Fl 1.57bn.

Finmeccanica shows heavier loss for year

By Paul Betts in Rome

FINMECCANICA, the mechanical and engineering holding of the financially troubled state IRI group, yesterday reported losses of L230bn (\$276m) for the year ended June 30 compared with losses of L221bn last year.

The losses will be covered by drawing on capital which the parent company will then restore to its present level of L400bn.

More than half the losses were caused by the Alfa Romeo car group. Finmeccanica is now understood to be negotiating a series of joint ventures with international and domestic partners to help the recovery of its car subsidiary.

Export performance increased in the company's main industrial sectors, with rises of 94 per cent in car sales, 40 per cent in aerospace sales and 30 per cent in the energy sector.

Improvement at Kali-Chemie

BY GUY HAWTIN IN FRANKFURT

THE WEST GERMAN chemicals group, Kali-Chemie, yesterday reported improved group sales and earnings during the first three-quarters of 1979. But the management said that while profits overall were satisfactory, they had failed to reach expectations in a number of areas.

the figures of the group's new Spanish and U.S. subsidiaries. When the new subsidiaries are excluded from the returns, turnover showed an expansion of 6.9 per cent.

exports increased by 20.3 per cent from DM 64m to DM 77m. The report indicated that domestic sales were affected by weak demand from individual sales areas and the increased activity of foreign competitors in the West German market.

German ban on pet food discount

BY LESLIE COLTIN IN BERLIN

THE WEST GERMAN Cartel Office has ordered the country's leading seller of prepared pet food to stop its "discriminatory bonus system" by the start of next year.

part of the Economics Ministry in Bonn, said that this bonus system has a damaging effect on competition in two ways. The progressive bonus, it argued, induces customers to buy Effem products. In doing so, it "unduly obstructs" the competitiveness of other companies in the market, especially small and new sellers.

this type of bonus system violates the country's ban on discrimination, which applies to especially strong companies and covers misuses of a market-dominating position.

EOE activity increases

AMSTERDAM—The European Options Exchange reports record activity for October. Total turnover rose to 78,097 contracts from 49,779 in September and 33,121 in October last year, while average daily turnover increased to 3,286 contracts from 2,459 and 1,505 respectively.

Second rights issue in a year from Bank Leu

BY OUR FINANCIAL STAFF

BANK LEU, the smallest of the big five Swiss banks, is to raise the equivalent of \$36m through a rights issue. The bank raised \$21m in this form almost exactly a year ago.

to the upturn with the sharpest earnings performances occurring in precious metals and commission business.

Mobil Oil AG spending plans

WILHELMSHAVERN — Mobil Oil AG, the West German subsidiary of Mobil Oil of the U.S., will spend DM 200m (\$111m) up to 1984 to adjust its refinery output in West Germany to the increasing demand for light petroleum products, according to Herr Bernd Schlichting, management Board member.

The spending programme includes a viscracker at the Wilhelmshaven installation and at the Neustadt refinery, in which West Germany's Veba Oil has a 50 per cent interest, as well as a thermic cracker at Wilhelmshaven and the expansion of an existing cracker at the Werthe refinery in southern Germany.

Large deficit at Heberlein

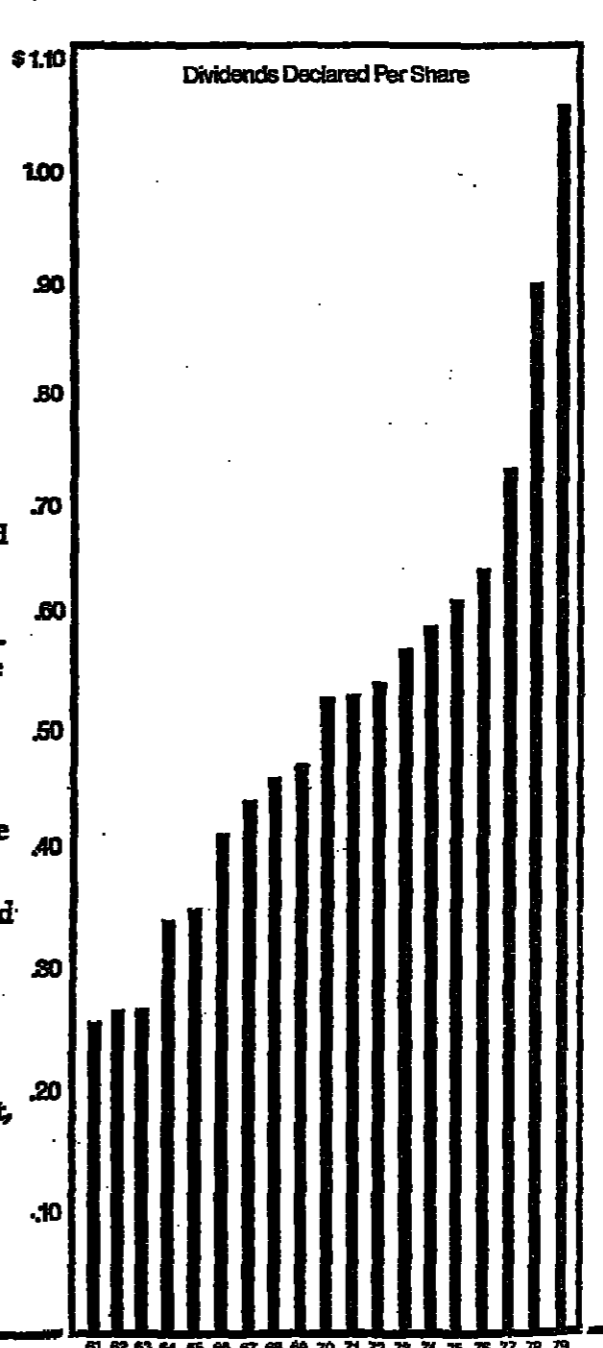
BY JOHN WICKS IN ZURICH

HEAVY LOSSES have forced the Swiss textile machine and processing group, Heberlein, to propose a capital reconstruction.

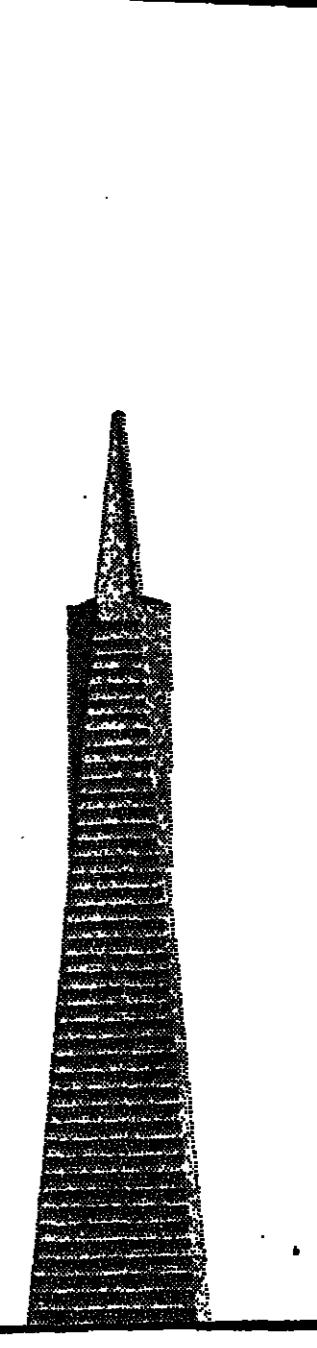
SwFr 14.4m worth of loans to subsidiaries. This loss compares with a profit of SwFr 0.3m in addition to the 1978-79 loss, Heberlein Holding is to set aside SwFr 12.1m as provision against additional depreciation.

the monetary policy of the Swiss national bank and the competitive pressures from foreign markets.

Transamerica Dividend Increase Continues for 18th Year



On September 20th Transamerica Corporation increased the annual dividend rate on its common stock from \$1.00 to \$1.12 per share.



Note: Because the most recent dividend increase occurred in September, the annual rate (\$1.12) exceeds dividends declared during 1979.

Transamerica

prof Oat

UES

SERVICE

Advertisement for King Edward Panatellas cigarettes, featuring a portrait of King Edward and the text 'pack of 5 Panatellas only £1.30'.



# APPOINTMENTS

## Two Board posts at "Shell" Transport

Mr. W. C. Thomson has been appointed to the Board of the SHELL TRANSPORT AND TRADING COMPANY. He has held a number of senior positions with Royal Dutch/Shell Group companies since 1971 and has been chemical co-ordinator in London. Mr. Thomson became a managing director of the Shell Petroleum Company, a member of the Executive of the Board of Shell Petroleum NV, and a group managing director of the Royal Dutch/Shell Group of Companies. Mr. Edmund Bell has also joined the Board of "Shell" Transport and Trading. He is executive chairman of the Guinness Peat Group and was formerly Secretary for Trade (1976-78).



Mr. W. C. Thomson

Mr. Frank McFadden has joined the Board of COATS PATONS.

Mr. John Duckworth and Mr. Patrick Meaney have been appointed to the Board of the BANK ORGANISATION as non-executive directors. Mr. Duckworth is chairman of DJJ Investment Services and Mr. Meaney is group managing director and chief executive of Thomas Filling.

Mr. Patrick Vander Elst has been appointed managing director of MARINE MIDLAND. Mr. Vander Elst was formerly chairman and chief executive officer of Internorm-Banque S.A., Paris.

LE GRAND (WELL-DRILLING AND ENGINEERING) COMPANY, a subsidiary of Beechwood Construction, has appointed Mr. Malcolm Gamble to the new post of contracts director. He joins Le Grand from George Wimpey where he worked as commercial manager for its specialised subsidiary Wimpey Laboratories on geotechnical projects.

Mr. G. H. Madra, technical director, has retired from the Board of LAPORE INDUSTRIES (HOLDINGS).

Mr. M. K. G. Boughton has joined the Board of ELECTRICAL AND INDUSTRIAL SECURITIES as a non-executive director. Mr. Boughton is a director of Tube Investments and chief executive of its Domestic Appliances Division.

Mr. Peter Youens, chairman of Hasco Carrier, is to join the Board of ELLERMAN LINES as a non-executive director on November 21.

Mr. Peter Tridgell has been appointed head of planning and marketing of NATIONAL WESTMINSTER BANK, on the retirement of Mr. John Callaghan. He is chief executive of the bank's domestic banking division's transmission department by Mr. Bert Morris, previously controller, general manager's administration, international banking division.

BRILLO MANUFACTURING COMPANY OF GREAT BRITAIN has promoted the following executives to the Boards of its subsidiary companies: Mr. R. H. P. Devereux and Mr. G. R. McQuillan, Cuticura Laboratories; Mr. D. R. Slight, Turco Chemical Products; Mr. E. F. Widdowson, Brillo Manufacturing Company of Ireland; and Mr. D. R. Gilman, Brillo Sales Company of Ireland. They retain the executive positions with the parent company which they have held for many years.

Mr. Alexander London has been appointed managing director of TRICENTROL BENEFIT BV, a subsidiary of Tricentrol.

Mr. A. R. Graham has been appointed director of the ELIZABETHAN MARINE AND GENERAL INSURANCE COMPANY.

Mr. I. Price has been appointed vice president of LOCKHEED AIRCRAFT SERVICE COMPANY. He was previously senior vice president of Lockheed Aircraft International A-G, in Saudi Arabia.

Mr. Leo Heng Sun has been appointed manager of the London branch of OVERSEAS UNION BANK.

Mr. Christopher Pendred has been appointed managing director of NORMAN PENDRED-CELLGRAVE.

Mr. R. A. Coates has been appointed deputy managing director of CONSOLIDATED BATHURST (OVERSEAS). He succeeds Mr. Douglas M. Young, who is returning to North America as vice-president of Consolidated-Newsprint Inc., New York.

Mr. Albrecht Binder has been appointed to the Board of VOITH ENGINEERING, of Thornton Heath. He is sales director of the paper machinery division of J. M. Voith GmbH, West Germany.

Mr. D. Garrett has become senior partner of ERNST AND WHINNEY following the retirement of Mr. H. P. Patterson.

Mr. Alan Morgan has been promoted to assistant vice president at the FIDELITY BANK'S London branch and European headquarters office. He joined the London branch in 1978 and became chief dealer and manager in 1977.

Mr. Michael Bacon has been appointed a director of SHELL-BEAR-WEDGE (COMMODITY FUTURES). He will have special responsibility for finance.

Mr. Alan Woods has been appointed managing director of INSTRUMENTS, of Richmond, Surrey.

Mr. Brian C. F. Mallett has been appointed sales director of JEVONS FASTENERS, of Wednesbury.

Mr. Ian M. O'Shea has been appointed vice-president, marketing of ACADIA FOREST PRODUCTS, of Canada, and he will initially be based in the UK. Mr. O'Shea is to relinquish his position as a director of Ekman and Co. (London) on November 30.

Mr. Colin G. Dove has joined the board of HALMATIC as director and chief designer.

Mr. Don Yandell has joined WAISSELS as a consultant for its new division G and Y Congo (International) for the worldwide procurement and marketing of canned foods.

Mr. Peter Sweet has been appointed the first chief executive of the newly formed MANCHESTER WORLD TRADE CENTRE. As managing director of Henry Simon, Mr. Sweet was seconded to the Department of Industry, at the department's request, as north-west regional industrial adviser on September 1, 1978.

Further to the announcement that Rothschild Investment Trust has acquired over 50 per cent of the equity of FUME HOLDINGS, Mr. Jacob Rothschild, Mr. Francis Mayer and Mr. Michael Broke are to join the Hume board.

Mr. Barry Swart has been appointed president and chief executive officer of BARCLAYS BANK OF NEW YORK. Mr. Swart is at present general manager, Northern Transvaal local head office of Barclays National Bank.

Mr. Roy Astrop has been appointed design and development director of PORTLAND SHOES.

# BOND DRAWINGS

## TELEFONAKTIEBOLAGET L M ERICSSON 9 1/4% Bonds 1985

S. G. WARBURG & CO. LTD., announces that the redemption instalment of U.S.\$2,250,000 due 1st December, 1979 has been met by payments in the market to the nominal value of U.S.\$1,748,000 and by a drawing of Bonds to the nominal value of U.S.\$502,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:-

39	98	160	217	272	348	403	457	535	579
831	692	748	804	861	924	979	1765	1821	1887
1939	1995	2051	2107	2163	2219	2275	2331	2374	2429
2481	2537	2593	2649	2705	2761	2817	2873	2929	2985
3116	3172	3228	3284	3340	3396	3452	3508	3564	3620
3791	3847	3903	3959	4015	4071	4127	4183	4239	4295
4475	4531	4587	4643	4700	4756	4812	4868	4924	4980
5047	5103	5159	5215	5271	5327	5383	5439	5495	5551
5656	5712	5768	5824	5880	5936	5992	6048	6104	6160
6237	6293	6349	6405	6461	6517	6573	6629	6685	6741
6800	6856	6912	6968	7024	7080	7136	7192	7248	7304
7363	7419	7475	7531	7587	7643	7700	7756	7812	7868
7974	8030	8086	8142	8198	8254	8310	8366	8422	8478
8586	8642	8698	8754	8810	8866	8922	8978	9034	9090
9187	9243	9299	9355	9411	9467	9523	9579	9635	9691
9834	9890	9946	10002	10058	10114	10170	10226	10282	10338
10436	10492	10548	10604	10660	10716	10772	10828	10884	10940
10982	11038	11094	11150	11206	11262	11318	11374	11430	11486
11504	11560	11616	11672	11728	11784	11840	11896	11952	12008
12064	12120	12176	12232	12288	12344	12400	12456	12512	12568
12624	12680	12736	12792	12848	12904	12960	13016	13072	13128
13184	13240	13296	13352	13408	13464	13520	13576	13632	13688
13744	13800	13856	13912	13968	14024	14080	14136	14192	14248
14304	14360	14416	14472	14528	14584	14640	14696	14752	14808
14864	14920	14976	15032	15088	15144	15200	15256	15312	15368
15424	15480	15536	15592	15648	15704	15760	15816	15872	15928
15984	16040	16096	16152	16208	16264	16320	16376	16432	16488
16544	16600	16656	16712	16768	16824	16880	16936	16992	17048
17154	17210	17266	17322	17378	17434	17490	17546	17602	17658
17714	17770	17826	17882	17938	17994	18050	18106	18162	18218
18274	18330	18386	18442	18498	18554	18610	18666	18722	18778
18834	18890	18946	19002	19058	19114	19170	19226	19282	19338
19394	19450	19506	19562	19618	19674	19730	19786	19842	19898
19954	20010	20066	20122	20178	20234	20290	20346	20402	20458
20514	20570	20626	20682	20738	20794	20850	20906	20962	21018
21074	21130	21186	21242	21298	21354	21410	21466	21522	21578
21634	21690	21746	21802	21858	21914	21970	22026	22082	22138
22194	22250	22306	22362	22418	22474	22530	22586	22642	22698
22754	22810	22866	22922	22978	23034	23090	23146	23202	23258
23314	23370	23426	23482	23538	23594	23650	23706	23762	23818
23874	23930	23986	24042	24098	24154	24210	24266	24322	24378
24434	24490	24546	24602	24658	24714	24770	24826	24882	24938
25044	25100	25156	25212	25268	25324	25380	25436	25492	25548
25604	25660	25716	25772	25828	25884	25940	25996	26052	26108
26164	26220	26276	26332	26388	26444	26500	26556	26612	26668
26724	26780	26836	26892	26948	27004	27060	27116	27172	27228
27284	27340	27396	27452	27508	27564	27620	27676	27732	27788
27844	27900	27956	28012	28068	28124	28180	28236	28292	28348
28404	28460	28516	28572	28628	28684	28740	28796	28852	28908
28964	29020	29076	29132	29188	29244	29300	29356	29412	29468

On 1st December, 1979 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:-

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Interest will cease to accrue on the Bonds drawn for redemption on and after 1st December, 1979 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.\$16,950,000 nominal Bonds will remain outstanding after 1st December, 1979.

The following Bonds previously drawn for redemption on dates given below, have not as yet been presented for payment.

1st December, 1972	23623	23715
1st December, 1973	6865	8954
1st December, 1974	2106	3071
1st December, 1975	3394	3474
1st December, 1976	561	561
1st December, 1977	306	560
1st December, 1978	5516	6832
1st December, 1979	288	573
1st December, 1979	2199	2212
1st December, 1979	3598	3608
1st December, 1979	5672	6202
1st December, 1979	7676	7824
1st December, 1979	11204	11838
1st December, 1979	18316	15443
1st December, 1979	18312	17077
1st December, 1979	24538	24783
1st December, 1979	26720	25734
1st December, 1979	27745	27759
1st December, 1979	904	944
1st December, 1979	3518	3530
1st December, 1979	3646	3659
1st December, 1979	7000	7115
1st December, 1979	9489	9581
1st December, 1979	12719	12770
1st December, 1979	16236	16248
1st December, 1979	20512	21448
1st December, 1979	24127	24111
1st December, 1979	25194	25260
1st December, 1979	26287	26388
1st December, 1979	28938	28949
1st December, 1979	967	995
1st December, 1979	3857	3569
1st December, 1979	3670	4660
1st December, 1979	7428	7468
1st December, 1979	10541	10601
1st December, 1979	13041	13488
1st December, 1979	16275	16288
1st December, 1979	23288	23151
1st December, 1979	24267	24211
1st December, 1979	25324	25350
1st December, 1979	26734	27117
1st December, 1979	28974	28974
1st December, 1979	28164	28164
1st December, 1979	18108	18210
1st December, 1979	17115	17168
1st December, 1979	17637	17688
1st December, 1979	18158	18210
1st December, 1979	19881	19732
1st December, 1979	19204	19256
1st December, 1979	19728	19731
1st December, 1979	20254	20308
1st December, 1979	20776	20827
1st December, 1979	21299	21352
1st December, 1979	21824	21876
1st December, 1979	22344	22397
1st December, 1979	22865	22917
1st December, 1979	23386	23438
1st December, 1979	23907	23959
1st December, 1979	24428	24480
1st December, 1979	24949	25001
1st December, 1979	25470	25522
1st December, 1979	25991	26043
1st December, 1979	26512	26564
1st December, 1979	27033	27085
1st December, 1979	27554	27606
1st December, 1979	28075	28127
1st December, 1979	28596	28648
1st December, 1979	29117	29169
1st December, 1979	29638	29690
1st December, 1979	30159	30211
1st December, 1979	30680	30732
1st December, 1979	31201	31253
1st December, 1979	31722	31774
1st December, 1979	32243	32295
1st December, 1979	32764	32816
1st December, 1979	33285	33337
1st December, 1979	33806	33858
1st December, 1979	34327	34379
1st December, 1979	34848	34900
1st December, 1979	35369	35421
1st December, 1979	35890	35942
1st December, 1979	36411	36463
1st December, 1979	36932	36984
1st December, 1979	37453	37505
1st December, 1979	37974	38026
1st December, 1979	38495	38547
1st December, 1979	39016	39068
1st December, 1979	39537	39589
1st December, 1979	40058	40110
1st December, 1979	40579	40631
1st December, 1979	41100	41152
1st December, 1979	41621	41673
1st December, 1979	42142	42194
1st December, 1979	42663	42715
1st December, 1979	43184	43236
1st December, 1979	43705	43757
1st December, 1979	44226	44278
1st December, 1979	44747	44799
1st December, 1979	45268	45320
1st December, 1979	45789	45841
1st December, 1979	46310	46362
1st December, 1979	46831	46883
1st December, 1979	47352	47404
1st December, 1979	47873	47925
1st December, 1979		



COMMODITIES AND AGRICULTURE

Lower Brazil coffee price

By Our Commodities Staff

THE EXPORT price of Brazilian coffee will fall by an estimated \$3 a 60-lb bag following the devaluation of the cruzeiro, announced on Wednesday night. Previous devaluations of the Brazilian currency have usually been accompanied by compensatory increases in export taxes on coffee to keep prices up to overseas buyers...

New call to end food VAT

By Our Commodities Staff

IF VAT were abolished on all food items only half the £450m a year revenue reduction would actually be lost to the exchequer, Mr. David Crabb, chairman of the UK Cereals and Biscuit Alliance, claimed in London yesterday.

The 15 per cent tax is applied to all confectionery and to some other "luxury" items such as chocolate biscuits and potato crisps and Mr. Crabb said the resulting drop in the retail prices index if food VAT was abandoned would lead to savings in index-linked pensions, national insurance and other benefits.

International tea HQ for Holland

By Our Commodities Staff

THE HAGUE—The International Tea Promotion Association will establish its headquarters in Rotterdam, the Dutch Foreign Ministry said. The association was set up in February to promote world tea consumption and to co-ordinate contracts with traders in consumer countries. So far nine countries—India, Sri Lanka, Bangladesh, Mauritius, Malawi, Kenya, Tanzania, Uganda and Indonesia—have joined.

Thai setback boosts sugar

By Richard Mooney

NEWS THAT a crop shortfall in Thailand will prevent the country from fulfilling its International Sugar Agreement export quota next year helped boost world sugar prices to new peaks yesterday. The market rise lifted the March position of the London futures market to a life-of-contract high of £173.75 a tonne at one time. The March futures quotation ended the day £6.75 up at £173.50 a tonne.

In the morning, the London daily raw sugar price was fixed 5¢ higher at £154 a tonne. Prapth Nakorn, adviser to the Thai Industry Ministry, said in Bangkok yesterday that dry weather had cut the country's forecast sugar cane crop to 16m tonnes in the 1978-80 season, compared with 20m tonnes in 1977-78. The sugar yield is expected to fall from 1.7m to 1.5m tonnes per hectare.

Feed economies may save Soviet livestock

By David Satter in Moscow

THERE IS not likely to be forced slaughtering of Soviet livestock, as happened after the 1972 crop failure, despite the big harvest shortfall this year, according to U.S. agricultural experts. They expect that instead the Soviets will try to maintain the size of the herds with a high forage diet.

World spice council urged

By Our Commodities Staff

THE FORMATION of an International Spice Advisory Council is being sought following a meeting in London of spice producers and traders. The joint organisers of the meeting, the Commonwealth Secretariat and the International Trade Centre, were urged to approach interested governments to seek support for the proposed Council.

Bolivian coup lifts tin prices

By Our Commodities Staff

TIN PRICES rose on the London Metal Exchange yesterday, following news of the attempted coup in Bolivia and later that the U.S. Congress had failed to agree on a Bill to authorise stockpile sales. Standard grade cash tin closed £80 higher at £7,710 a tonne. Mr. Nakorn said the ISO would be officially informed of Thailand's inability to fulfil the quota at its annual meeting in London this month.

The world sugar price upsurge may also have been encouraged by prospective buyers in Syria, Egypt and Pakistan in the near future, London dealers said. Pakistan is reported to be in the market next Tuesday for 10,000 tonnes of December delivery of sugar. The prospect of further purchases of up to 190,000 tonnes over the next few months.

Farming escapes spending axe

By Christopher Parkes

THE MOST important Government-funded supports for agriculture emerged virtually unscathed from the programme of money-saving measures announced yesterday in the public expenditure White Paper.

US warning on lamb quota reduction

By Dal Hayward in Wellington

NEW ZEALAND would resist any moves to reduce NZ lamb supplies to Britain or the EEC arising out of the dispute over the French refusal to accept British lamb, the chairman of the NZ Meat Board, Mr. Charles Hilgendorf, said here.

Misgivings about milk

By John Cherrington, Agriculture Correspondent

OVER THE last few weeks I have heard of six large dairy herds being sold in the South of England. There are reports of the same thing in other parts of the country and in Scotland. This is not yet a trend likely to diminish substantially the country's milk output, but it could indicate that perhaps the increasing production of the last few years is becoming to stagnate.

It is also noticeable that the trade for young cows and heifers in milk is pretty flat. Where good sales are being made, they are destined for France, which is looking to accelerate the change in its dairy herds from dual purpose cattle to pure dairy breeds. It is safe to say that the motives for British dairy herd sales are not that dairying is currently unprofitable, but that farmers have alternative uses for their land.

Price changes

In tonnes unless otherwise stated.

Table with columns: Commodity, Nov. 1979, +/- or Month ago. Includes items like Aluminium, Copper, Tin, Zinc, Lead, and various oils.

AMERICAN MARKETS

NEW YORK, November 1.

Table with columns: Commodity, Price, Change. Includes items like Gold, Silver, Wheat, Corn, Soybeans, and various oils.

EUROPEAN MARKETS

ROTTERDAM, November 1.

Table with columns: Commodity, Price, Change. Includes items like Wheat, Corn, Soybeans, and various oils.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns: Commodity, Price, Change. Includes items like Copper, Tin, Zinc, Lead, and various oils.

COFFEE

YESTERDAY'S COFFEE MARKET

Table with columns: Commodity, Price, Change. Includes items like Arabica, Robusta, and various grades of coffee.

GRAINS

LONDON GRAIN FUTURES

Table with columns: Commodity, Price, Change. Includes items like Wheat, Barley, and various grades of grain.

Andrew Waldron Commodities Ltd. A Commodity Broker specialising in the management of funds for private investors and institutions. All Managed Accounts are personally tailored and geared to the financial requirements of each individual client.

SILVER

SILVER was fixed 13.9p an ounce lower for spot delivery in the London bullion market yesterday at 785.4p.

Table with columns: Commodity, Price, Change. Includes items like Silver, Gold, and various grades of metal.

WOOL FUTURES

LONDON GREASY WOOL—CLOSURE

Table with columns: Commodity, Price, Change. Includes items like Greasy Wool, Cleaned Wool, and various grades of wool.

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MEAT/VEGETABLES MEAT COMMISSION—Average latest closing prices (buyer's view): Beef (kg live) 1.04, Pig (kg live) 1.15, Sheep (kg live) 1.15, Poultry (kg live) 1.15, etc.

INDICES FINANCIAL TIMES Oct. 31/Oct. 30th Month Year ago 291.54/290.88 305.18/ 265.22 (Base: July 1, 1952=100)

DOW JONES Dow J. Oct. 31/Oct. 30 Month Year ago 1601.1/1676.3 1655.1/ 1526.9 (Base: September 18, 1921=100)

LONDON STOCK EXCHANGE

38 Companies and Markets

Interest rate anxieties return and reverse early rise Gilts noticeably easier after Govt. spending plans

Account Dealing Dates Option First Declared Last Account Dealings from Dealings Day Oct. 22 Nov. 1 Nov. 12 Nov. 13 Nov. 15 Nov. 16 Nov. 26 Nov. 19 Nov. 30 Nov. 30 Dec. 10

Encouraged by the BL workers' decision to endorse management plans to close plants and reduce the company's workforce and by the initial rise in sterling yesterday, the two main investment sections in stock markets began on a firm note.

Possible repercussions on the market's trend as a result of proposed fund raising for the proposed £290m offer for sale of British Petroleum shares were a talking point along with the likely contents of the White Paper on Government spending, to be announced after the official close of trade.

The firmness was maintained until Gilts-edged securities began to edge away from the best levels following activation by the Government broker of the special low-coupon tax stock, Exchange 3 per cent 1984, at 73 1/2, some three points below its issue price.

Later in the day, the market became distinctly sensitive to the question of world interest rate levels and on the first sight of the Government spending plans these anxieties increased as thoughts loomed of a pending rise in Minimum Lending Rate before the end of the year.

Examples of the volatility in British funds were the short-dated Exchequer 11 1/2 per cent 1984 which rose to 93 1/2, helped by activity on behalf of official sources, before settling after hours at 82 1/2 and the long tax Exchequer 12 per cent "A" 1989/2002, up to 92 1/2 initially but finally down to 91 1/2.

The lack of follow-through support and the effects on sentiment of the reversal in Gilts turned leading shares back from the firm start. Several lines of good class shares changed hands between institutional investors which contributed to the volume of business but public interest was extremely small.

In British Petroleum, Burmah closed 1 1/2 down at the day's lowest of 175p. A total of 909 contracts were completed in traded options. Bid speculation fuelled demand for EMI, which attracted 363 trades, while recently active issues BP and Cons. Gold Fields were also in favour, recording 188 and 217 deals respectively.

A fair amount of interest was still being shown in the Recent Equities with the new entry to the list, the South African industrial concern, Sasol, firming 7 more to 130p compared with Wednesday's equivalent placing price of 78p.

Renewed support was forthcoming for Lank House which added 3 to 168p, but Quest Automation eased that much to 125p on profit-taking and the Greatham House, which holds a near-40 per cent stake in Quest, shed 5 to 196p in sympathy.

Leading Breweries were often a shade easier, Allied losing the turn to 88p, Elsewiers, R. V. Bumer firming a penny more to 180p, edging benefiting from its edger price increases, while Davenport met with renewed takeover speculation and rose to 127p before retreating to 126p for a net gain of 3. Bellhaven, a dull market of late on the qualified accounts, also improved 3 to end at 34p following the efforts of a solitary buyer, Welsh Breweries, which added 1 to 129p before retreating to 129p on the interim statement.

Distilleries also passed a subdued session, Arthur Bell easing 2 to 180p but Distillers improving that much to 220p. Buildings displayed narrow mixed movements after a subdued grade. BPE, at 145p, recovered 3 of Wednesday's fall of 6, but Tarmac shed that much to 180p and Blue Circle eased a couple of points to 144p, while Brown and Johnson improved 3 to 203p, but John Mowlem eased 2 to 190p.

Marchwell, a particularly dull market since the results, rallied 2 to 90p, but SGR, a recent speculative favorite, declined 3 to 263p. Support was again forthcoming for F. J. C. Liley, which added 3 more in a thin market to 83p. P. C. Henderson responded to the news of a merger with a gain of 2 to 120p, while Bellway, reflecting the strength of its associated company North British Properties, also firmed 2 to 80p.

Among Timbers, Travis and Arnold hardened a couple of pence to 111p and Amey's share price rose to 120p, while Bellway, reflecting the strength of its associated company North British Properties, also firmed 2 to 80p.

22p. Bernard Wardle, however, encountered selling and cheapened a penny to 29p.

Burton good again A useful early demand for leading Stores soon faded and most issues closed a penny or so down on the overall levels.

Burton "A" however, again provided an exception rising 8 more to 240p after further favourable Press comment. Elsewhere, major issues tended lower on profit-taking and higher postal charges. Gratton fell 4 to 118p, while Fremans had a couple of pence at 160p.

Contrasting movements in DIY counters were provided by Home Churn, 3 up at 140p, and B. and Q. Retail, 4 up at 85p. Readright relinquished 2 to 35p following news of a large U.S. acquisition, but B. Paradise improved 3 to 52p on hopes that R. and J. Purnan, which holds a 29 per cent stake in Paradise, will make an offer.

Among Shoes, Booth International, still on the disappointing interim statement, dipped 6 more to 50p for a two-day fall of 14, while Stylo was also friendless, finishing 12 lower at 188p. Pittard gave up 3 to 50p.

Speculation about a possible counter-offer prompted a relatively lively business in EMI which settled 4 to the good at 142p. Thorn eased 4 to 358p. Among other Electrical leaders, GEC closed a shade better at 323p with the help of the £100m turbine order. South recent cash offers in secondary issues encountered selling. Farnell, 234p, and Ferranti, 397p, reacting 8 apiece. Decca "A" lost 10 more to 300p, with the ordinary 15 lower at 300p.

Against the trend, late in the day, United Scientific 8 to the good at 332p. With the exception of Vickers, which eased 3 to a fresh low for the year of 115p, the Engineering leaders ended without alteration. Elsewhere, Whesave revived with a rise of 16 to 156p on hopes of early news of the bid approach from Costain Group, a few pence better at 144p. Vesper rallied 6 further to 180p and still on the proposed prices' increases.

Whesave revived with a rise of 16 to 156p on hopes of early news of the bid approach from Costain Group, a few pence better at 144p. Vesper rallied 6 further to 180p and still on the proposed prices' increases. Whesave revived with a rise of 16 to 156p on hopes of early news of the bid approach from Costain Group, a few pence better at 144p. Vesper rallied 6 further to 180p and still on the proposed prices' increases.

stirred from overnight levels. Rowntree Mackintosh hardened a couple of pence to 182p and Brooke Bond firmed a penny to 49p, the latter on yield considerations. Unigate also improved a penny, to 103p, but British Sugar eased 2 to 165p.

Among secondary issues, Avana featured with a fall of 9 to 106p following the half-yearly results and cautious statement. West Trade Suppliers shed 3 to a 1979 low of 80p.

Ladbroke firmed 3 to 183p ahead of Monday's London casino licence appeal hearing. Among other Hotels and Caterers, Prince of Wales responded to better-than-expected half-yearly results with a gain of 4 to 81p, while Brent Walker put up to 94p, after 95p, on renewed speculative demand. De Vere, however, met occasional selling and cheapened 3 to 210p.

Pilkington advance Inclined harder at the start, miscellaneous industrial leaders turned easier and ended with small losses on balance. Reed International, however, continued to attract support following the recent interim results and put on 6 further to 171p, while hopes of a Chinese order for a float glass production line stimulated demand for Pilkington, which advanced 8 to 263p.

Elsewhere, the trend was mixed. Disappointment in the interim statement prompted a fall in Polymark, 5 lower at 73p, and still reflecting the lower annual earnings, S. Simpson "A" gave up 4 more at 88p. Hoover "A" were lowered 5 to 120p on

the pre-tax loss for nine months. Falls of 5 were also recorded in Sisebe German, 160p, Wilkinson March, 155p, and Crosby House, 180p, in contrast, a revival of buying left Aero and General 7 to the good at 185p, while Booker McConnell rallied a similar amount to 290p. Hammett firmed 4 more to 106p; it was confirmed yesterday that Mr. Jose, a director of the company, has offered \$2 Australian for 2m Hammett shares.

Down 16 on Wednesday following the poor half-yearly results, Bessy and Hawkes shed 4 more to 160p. Elsewhere in the Leisure Newspapers again drifted easier on a lack of investment demand. Among regional concerns Home Cosmetics eased 5 to 110p, United gave up 3 at 85p, and BFM shed 2 to 52p. More O'Ferrall were unchanged at 117p; the price in yesterday's issue was incorrect. DMG remained dull on a factory closure, losing 3 more to a 1979 low of 96p.

Leading Properties made progress initially, but eventually drifted back on lack of follow-through support and occasional selling. Land Securities, after touching 278p, settled a net 3 higher at 276p, but M&P, after early firmness at 164p, finished a penny cheaper on balance at 161p.

Eastmore added 2 to 272p, after 274p, but Hammett "A" eased 10 more to 820p. Scattered improvements were apparent elsewhere and Fairview Estates added 5 at 215p, while Greenoak Estates, a dull market recently on the results, picked up 1 1/2 to 11p. North British Properties firmed 5 to 181p in response to the good annual results, but Laing Properties "A" shed that much to 131p on persistent small selling. Apex, 109p, Bradford, 134p, and Samuel, 160p, all improved a couple of pence, while Marler Estates hardened a penny to 39p.

Burmah weaken Oils were featured by a revised 11 to 175p in Burmah following news that the company's appeal regarding access to Government papers in connection with the Bank of England's purchase of Burmah's stake in British Petroleum had been dismissed. Elsewhere, the underlying trading was dull, sentiment being affected by the approaching Government sale of part of its holding in British Petroleum, down 6 at 378p. Shell were similarly cheaper at 330p, while Sisebans lost 4 to 289p and Wrighton were a like amount down at 244p.

In contrast, Lasso closed 6 to the good at 306p, after 310p, and Oil Exploration, 7 higher at 565p, after 572p, on speculation concerning an American bid for both companies. Among active stocks, Trades, Mitchell Cotts at 437p added 1 1/2 following the encouraging tone of the statement which offset the effects of the lower annual profits.

Preliminary results from Coats Patens were deemed satisfactory and, having been down to 55p following the announcement, the shares reverted to the overnight level of 54p. Other Textiles retained a mixed appearance. Nova Jersey added 2 to 33p, but Shaw Carpets, 29p, and Radley Fashions, 48p, shed 3 and 4 respectively.

A lively trade was transacted in Motor Distributors, selected issues recording useful rises on hopes of further rationalisation within the sector. Lookers featured with a gain of 6 at 54p, while rises of 3 were seen in Healey, 115p, T. C. Harrison, 72p, and Kennam, 74p. Harold Perry improved 5 to 135p and Dorada added 2 to 71p, the last-mentioned reflecting an investment recommendation. British Car Auctions proved to be an isolated dull spot, easing a shade to 60p ahead of Monday's preliminary results. CGSB firmed a penny to 43p, still 2 below the offer terms from Maner National, 4 better at 25p.

Light Electronics, Radio, Television, ET-ACTUARIES INDEX. A line graph showing the index from January to October 1979, with values ranging from approximately 240 to 360.

FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Govt. Secs., Fixed Interest, Industrial, Gold Mines, Ord. Div. Yield, Earnings, P/E Ratio, Total bargains, Equity turnover, Equity bargains total. Rows for Nov. 1, Oct. 26, Oct. 20, Oct. 13, Oct. 6, Oct. 29, A year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table comparing Highs and Lows for Govt. Secs., Fixed Int., Ind. Ord., and Gold Mines. Columns include 1979 High/Low, Since Completion High/Low, and Nov. 1/29 High/Low.

Activity in South African Golds fell to minimal levels with dealers awaiting the outcome of last night's U.S. Treasury auction of up to 1.25m ounces of gold.

The lack of interest also reflected the closure of most Central contracts for All Saints Day. The Gold Mines index put on 0.2 to 202.2.

South African Financials were similarly quiet although persistent Johannesburg enquiry lifted Anglo American Corpore 6 more to 41p. "Anglo Gold" on the other hand, dipped 1 1/2 to 22 1/2 and GFS&I to 22 1/2. De Beers eased 3 to 367p.

Gold Fields were again the centre of attraction in London Financials; the shares, which again figured prominently in our list of active stocks, initially eased to 300p but rallied to close 4 cheaper on balance at 306p. Charter Consolidated and Rio Tinto-Zinc were 3 cheaper at 181p and 291p respectively.

Heavy overnight American buying, encouraged by a U.S. list of active stocks, followed by persistent London interest, left Rustenburg 11 higher at 140p. Other Platinums, however, showed little change.

Coppers showed Minorco 13 better at 220p and ZCC a penny harder at 13p. The Zimbabwe gold producer, Falcon Mines, advanced 5 to 380p. Another good two-way trade was reported in Australian Platinums. Continental advanced 38 to 750p on further consideration of the proposed scrip and rights issues. Diamond exploration issues

were in demand with gains of 4 and 3 respectively, seen in Northern Mining, 66p, and Western Mining held steady at 188p following the chairman's forecast that half-year's profits will equal those of the whole of the previous year.

NEW HIGHS AND LOWS FOR 1979

Table listing new highs and lows for 1979 across various sectors like Govt. Secs., Fixed Int., Industrial, Gold Mines, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing Equity Groups & Sub-sections for Thursday, Nov. 1, 1979. Columns include Index No., Day's Change, Est. Yield, Gross Yield, Est. P/E Ratio, Index No., Index No., Index No., Index No.

Table showing Fixed Interest Price Indices for Thursday, Nov. 1, 1979. Columns include Index No., Day's Change, Index No., Index No., Index No., Index No., Index No., Index No.

Table showing Fixed Interest Price Indices for Thursday, Nov. 1, 1979. Columns include Index No., Day's Change, Index No., Index No., Index No., Index No., Index No., Index No.

ACTIVE STOCKS

Table listing active stocks: Burmah Oil, Cons. Gold Fields, Oil Exploration, BPE, LASSMO, EMI, GEC, Midland Bank, Barclays Bank, European Ferries, Ladbroke, Royal Insurance, Shell Transport, Ultramar.

OPTIONS

Table listing options: First Last Last For Deal Deal Declara- Settlement, Oct. 29 Nov. 9 Feb. 7 Mar. 18, Nov. 12 Nov. 23 Feb. 1 Mar. 3, Nov. 26 Dec. 7 Mar. 6 Mar 17.

RECENT ISSUES

Table listing recent issues: F.P. 19/10/105, F.P. 19/11/102, F.P. 19/12/103, F.P. 19/13/104, F.P. 19/14/105, F.P. 19/15/106, F.P. 19/16/107, F.P. 19/17/108, F.P. 19/18/109, F.P. 19/19/110.

EQUITIES

Table listing equities: F.P. 19/10/105, F.P. 19/11/102, F.P. 19/12/103, F.P. 19/13/104, F.P. 19/14/105, F.P. 19/15/106, F.P. 19/16/107, F.P. 19/17/108, F.P. 19/18/109, F.P. 19/19/110.

FIXED INTEREST STOCKS

Table listing fixed interest stocks: F.P. 19/10/105, F.P. 19/11/102, F.P. 19/12/103, F.P. 19/13/104, F.P. 19/14/105, F.P. 19/15/106, F.P. 19/16/107, F.P. 19/17/108, F.P. 19/18/109, F.P. 19/19/110.

"RIGHTS" OFFERS

Table listing rights offers: Issue No., Latest Annunc. Date, 1979 High/Low, Stock, Dividend, etc.

LONDON TRADED OPTIONS

Table listing London traded options: Option, Exercise price, Closing offer, Vol., Closing offer, Vol., Closing offer, Vol., Equity Close.

UNIT TRUST SERVICE

Table listing unit trust services: Annual Meeting Date, Unit Price, etc.

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MATTHEWS GOODMAN & POSTLETHWAITE LONDON LIVERPOOL & PARIS 01-248 3200 Offices for Commerce

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

FOREIGN BONDS & RAILS

Table with columns for Stock, High, Low, and various financial metrics for foreign bonds and rails.

BANKS & HP—Continued

Table with columns for Stock, High, Low, and various financial metrics for banks and hire purchase.

CHEMICALS, PLASTICS—Cont.

Table with columns for Stock, High, Low, and various financial metrics for chemicals and plastics.

ENGINEERING—Continued

Table with columns for Stock, High, Low, and various financial metrics for engineering.

BRITISH FUNDS

Table with columns for Stock, High, Low, and various financial metrics for British funds.

AMERICANS

Table with columns for Stock, High, Low, and various financial metrics for American stocks.

Hire Purchase, etc.

Table with columns for Stock, High, Low, and various financial metrics for hire purchase.

DRAPERY AND STORES

Table with columns for Stock, High, Low, and various financial metrics for drapery and stores.

BEERS, WINES AND SPIRITS

Table with columns for Stock, High, Low, and various financial metrics for beers, wines, and spirits.

Five to Fifteen Years

Table with columns for Stock, High, Low, and various financial metrics for five to fifteen year funds.

Over Fifteen Years

Table with columns for Stock, High, Low, and various financial metrics for over fifteen year funds.

Updated

Table with columns for Stock, High, Low, and various financial metrics for updated funds.

INTERNATIONAL BANK

Table with columns for Stock, High, Low, and various financial metrics for international bank.

CORPORATION LOANS

Table with columns for Stock, High, Low, and various financial metrics for corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table with columns for Stock, High, Low, and various financial metrics for commonwealth and African loans.

LOANS

Table with columns for Stock, High, Low, and various financial metrics for loans.

CANADIANS

Table with columns for Stock, High, Low, and various financial metrics for Canadian stocks.

BANKS AND HIRE PURCHASE

Table with columns for Stock, High, Low, and various financial metrics for banks and hire purchase.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns for Stock, High, Low, and various financial metrics for building industry, timber, and roads.

ELECTRICALS

Table with columns for Stock, High, Low, and various financial metrics for electricals.

FINANCIAL TIMES

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SUBSCRIPTIONS

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HOTELS AND CATERERS

Table with columns for Stock, High, Low, and various financial metrics for hotels and caterers.

INDUSTRIALS (Misc.)

Table with columns for Stock, High, Low, and various financial metrics for industrial miscellaneous.

FOOD, GROCERIES, ETC.

Table with columns for Stock, High, Low, and various financial metrics for food, groceries, etc.

ENGINEERING MACHINE TOOLS

Table with columns for Stock, High, Low, and various financial metrics for engineering machine tools.

CHEMICALS, PLASTICS

Table with columns for Stock, High, Low, and various financial metrics for chemicals, plastics.

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MINES—Continued

Table with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo Amalgamated, Anglo American, Anglo Coal.

AUSTRALIAN

Table listing Australian stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like BHP, Broken Hill, Mount Isa Mines.

TINS

Table listing tin stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo Tin Mines, Anglo American.

COPPER

Table listing copper stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

MISCELLANEOUS

Table listing miscellaneous stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

NOTES

Notes section containing various financial notices, including 'Notes on Shares', 'Notes on Debentures', and 'Notes on Options'.

REGIONAL MARKETS

Table listing regional market data for various countries like Ireland, India, and Japan.

OPTIONS

Table listing options data with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

FINANCE, LAND—Continued

Table listing finance and land stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

OILS

Table listing oil stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

OVERSEAS TRADERS

Table listing overseas traders with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

RUBBERS AND SISALS

Table listing rubber and sisal stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

TEAS

Table listing tea stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

MINES

CENTRAL RAND

Table listing central rand mines with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

EASTERN RAND

Table listing eastern rand mines with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

FAR WEST RAND

Table listing far west rand mines with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

O.F.S.

Table listing O.F.S. stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

FINANCE

Table listing finance stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

INVESTMENT TRUSTS—Cont.

Table listing investment trusts with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

PROPERTY—Continued

Table listing property stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

SHIPPING

Table listing shipping stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

SHOES AND LEATHER

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SOUTH AFRICANS

Table listing south african stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

TEXTILES

Table listing textile stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

TOBACCO

Table listing tobacco stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

FINANCE, LAND, etc.

Table listing finance, land, and other stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

DIAMOND AND PLATINUM

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INSURANCE—Continued

Table listing insurance stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

LEISURE

Table listing leisure stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

MOTORS, AIRCRAFT TRADES

Table listing motors and aircraft trades stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

Garages and Distributors

Table listing garage and distributor stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

PAPER, PRINTING

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PROPERTY

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INSURANCE

Table listing insurance stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

INDUSTRIALS—Continued

Table listing industrial stocks with columns: Stock, Price, % Change, Dividend, Yield. Includes entries like Anglo American, Anglo Coal.

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INSURANCE

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# FINANCIAL TIMES

Friday November 2 1979



## Closing date set for Corby

By Roy Hodson

THE BRITISH Steel Corporation gave formal notice of closure of iron and steelmaking at Corby, Northamptonshire, last night with the loss of 5,500 jobs. Mr. Bill Sirs, the TUC steel committee chairman and general secretary of the Iron and Steel Trades Confederation, the biggest steel union, said immediately he would not rule out national strike action.

last pour of liquid steel in March. The two sides, led by Mr. Robert Scholey, chief executive and deputy chairman of British Steel, and Mr. Sirs, could not reach agreement after six hours of talks at the Corby plant. Immediately the talks broke up, the British Steel management gave its formal notice of closure. Figures produced by British Steel yesterday predict that Corby will lose £19m in the financial year 1979-80 compared with earlier forecasts of a £10m loss.

planned in Corby for yesterday morning to coincide with the final talks on the works' future and the start of the meeting was delayed for 15 minutes because union leaders were in a two-mile long column of marchers. More than 1,000 policemen were on duty. But the turnout, estimated at 4,000 by the time the rally reached a town park, was smaller than expected and police said the crowd was good-natured.

would take the redundancy payments. He said: "I don't think the corporation would be able to pay the sort of money that would be required for redundancy and severance payments." British Steel is prepared to negotiate with the steel unions special redundancy payments for the Corby men in addition to the standard arrangements for redundant British Steel employees. Payments will be negotiated on the basis of 12-months notice for each worker. Extra payments will be offered in lieu of notice.

## Greater freedom for civil aviation

By Michael Donne, Aerospace Correspondent

GREATER FREEDOM from Government control for both British Airways and the Civil Aviation Authority is envisaged in the new Civil Aviation Bill, published yesterday.

## Linwood to bear brunt of Chrysler job reductions

By Arthur Smith, Midlands Correspondent

CHRYSLER UK, which is heading for a £40m loss this year, yesterday announced plans to cut up to 1,500 jobs. The main cut is at Linwood, Scotland, where 1,000 production workers and 250 staff are to go.

investment. Between 200 and 250 staff jobs are scheduled to go in a management reorganisation which will strengthen the autonomy of the company's seven plants. While planning will be dictated from the centre, individual plant directors will have greater responsibility for day-to-day management.

14-week stoppage. But plans to recruit 2,000 extra workers for a night shift have been postponed. Mr. Turnbull said the decision was due not to the strike but to reduced expectations about the size of the UK market next year. The company is waiting for sales to build up before incurring the expense of an additional shift.

## Harrier will be sold to China

By David Housego

BRITAIN is prepared to sell China the Harrier jet and other defence equipment, Mrs. Thatcher told Chairman Hua Guofeng, the Chinese leader yesterday. Sales would be subject to consultation with Britain's allies.

and believed to be the subject of discussions with the Chinese include the Pegasus, which powers the Harrier, and the Adour, used in the Jaguar. The Chinese are looking to Rolls to help upgrade the technology of their aircraft industry.

quiet in London, he warned the West against repeating the mistakes of appeasement which "eventually plunged the world into a holocaust" during the Second World War. He praised Mrs. Thatcher.

Weather UK TODAY SUNNY intervals, some rain. E. S.E. England. Dry, sunny periods. Max 13C (55F).

## Cuts vital to curb inflation, says Biffen

By Richard Evans and Christian Tyler

TRADE UNION leaders and Opposition spokesmen roundly condemned the White Paper's contents as economically disastrous at a time of recession. However, most Conservative MPs saw it as confirmation that the Government was maintaining its central strategy.

Continued from Page 1 Spending get for 1980-81—the planned secular reduction in public borrowing as a proportion of Gross Domestic Product and the effect on borrowing of cyclical economic factors.

argued that the proposals would deepen the recession in the UK and result in a fall in activity and cash flow in the private sector. His attack, although detailed and explicit, failed to arouse the expected passions on the Opposition benches, and the Commons exchanges were strangely low key.

On the same basis, it seems that housing spending for 1980-1981 has been reduced by £1bn or one-sixth below previous plans, and education expenditure has been reduced by around £500m

## Consumer protection study ordered

By David Churchill, Consumer Affairs Correspondent

A MAJOR study of the costs and benefits of consumer protection legislation in the UK has been commissioned by a group of leading companies and organisations, including Marks and Spencer, Unilever, and the Confederation of British Industry.

## DM test for UK pension funds

One of the prospects raised by the ending of British exchange controls is not only that British investors will seek investments abroad but that foreign borrowers will return to them for capital.

Index fell 0.8 to 436.7

The Department of Trade is reviewing some of the main pieces of consumer protection legislation, the 1973 Fair Trading Act, to see whether its impact on small traders can be lessened.

well publicised rationalisation and redundancy plans the hope had been that the third quarter figures would begin to show a more dramatic improvement.

Coats Patons Nine months into 1979, Hoover is still showing a loss—albeit a small one. Earnings lost £0.6m in the first quarter, £1.2m in the second quarter and—helped by a £0.3m exchange gain—made a £0.6m profit in the third quarter.

Public spending The gilt-edged market eased yesterday after the publication of the White Paper on public spending in 1980-81.

Weather UK TODAY SUNNY intervals, some rain. E. S.E. England. Dry, sunny periods. Max 13C (55F).

# INDUSTRIAL ACTION

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